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Israel's Days
Of Rage

TIME IOWA

A profile of the feisty folks who have an outsized say in picking the next President



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Other finalists: Audi 90 Quattro, Mercedes-Benz 190E." — Road & Track

With literally hundreds of cars vying for the consumer's dollar, the editors of Road & Track, in their December, 1987 issue, structured 10 new categories reflecting the Best Cars in the World on the basis of value. The value is based on \$5000 increments from under \$7500 to \$27,500. As Road & Track says, "above \$27,500 consumer choices will be made more by passion than by dollar consideration." Making a prestigious list like this is another example of what happens when management and its employees work toward a common goal. At Ford Motor Co. that goal is quality. Buckle Up — Together We Can Save Lives.



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*Selected from cars sold in the U.S.

COVER: Why 200,000 Iowans have such a big say in picking the next President 10

The race for the White House starts in a state that is overwhelmingly small-town, white and Protestant. But this is no backwater: Iowans are smart, sophisticated, and they take their politics seriously. ► More than voters elsewhere, Iowa caucusgoers are ready to leave Reagan behind, a TIME poll finds. ► How the U.S. concocted its screwy system for choosing candidates. See NATION.



WORLD: The struggle over Israel's occupied territories blazes out of control 30

Rock-throwing mobs continue their frenzied attacks as bewildered security forces wonder what to do next. In the most inflammatory incident yet, police attack demonstrators on the sacred grounds of Jerusalem's Temple Mount. ► Five Central American leaders meet in Costa Rica and give peace another chance. ► A dynasty ends with the death of Taiwan's President Chiang Ching-kuo.



BUSINESS: A lower trade-deficit figure sends stocks and the dollar flying 48

Exports are up and imports are down, but the gap between the two is still large enough to keep the U.S. deep in debt. ► Once the hot new investment strategy, portfolio insurance loses popularity and takes part of the blame for Black Monday. ► A glib scam artist nets \$10 million and a mail-fraud charge. ► Digital audiotape is on the way. ► Sony will sell VHS as well as Beta.



24 Nation

Fed up with office towers, sprawling shopping malls and clogged freeways, Californians are sounding a new battle cry: slow growth.

54 Law

Stop the presses! The Supreme Court says school officials can censor student newspapers. ► Doctors vs. lawyers again over malpractice.

57 Behavior

Skinheads may look like refugees from the punk-rock scene, but they are emerging as the kiddie corps of the neo-Nazi movement.

59 Medicine

A study in New York reveals that an alarming number of newborns are infected with AIDS. ► Good news for aggressive types.

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60 Show Business

You will see more movies in plusher theaters and pay more for them—all because of a 39-year-old Canadian, Garth Drabinsky.

62 Art

A fascinating show traces what tradition-bound Japanese artists learned in Paris, the capital of modernity, between 1890 and 1930.

65 Books

Forget *Power*! and *Blam!* Comic books have grown up and become serious graphic novels. ► I.F. Stone covers the trial of Socrates.

70 Music

George Michael scores with it, the Pet Shop Boys mock it, and everyone cashes in: Britpop, an easeful sound that tops the charts.

Cover:
Photograph by
Steve Liss

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Letters

Gorbachev's Year

To the Editors:

Your biography of Mikhail Gorbachev is worth the price of four issues of TIME [MAN OF THE YEAR, Jan. 4]. Until this article, I had searched in vain for meaty information on his background and personal life. Your fascinating piece merits the wait. None of this means I'm a Gorbachev fan, just that I'm keenly interested in knowing everything possible about the man who may be leading the Soviet Union well into the 21st century.

Eudora Sabo
Boca Raton, Fla.



Soviet General Secretary Gorbachev

Many Americans will have mixed emotions concerning your choice of Gorbachev as Man of the Year. But we have to consider that the U.S.S.R. is the second most powerful nation and won't go away. Since we have to exist in the same world regardless of our differences, why not cooperate with Gorbachev by degrees while keeping a watchful eye on the results?

William I. Goodwin
Lexington, Ky.

I was angry when I saw your Man of the Year. I think you could have made a better choice than Gorbachev, a man who has done nothing but dazzle Americans with a smile and who carries a carpetbag of promises to superpower summits.

Trisha Hogan
San Luis Obispo, Calif.

Gorbachev may have a "streak of . . . anti-Americanism." But if he believes the "U.S. has subject poverty and quite a lot of it," he shows he is well informed. We ourselves are anti-American if we deny and ignore the poverty we have in this richest country on earth.

Richard L. Dreifuss
New York City

Although I understand your motives for picking Gorbachev, to me he epitomizes a regime that killed millions of its

own people during the program to collectivize agriculture, sealed the nonaggression pact with Nazi Germany and thus prompted Adolf Hitler to start his murderous war, crushed the Hungarian and Czechoslovak revolutions, and today is carrying out genocide in Afghanistan.

Lazar Bernstein
Côte Saint Luc, Que.

Your Man of the Year was a realistic choice. I believe in democracy, not Communism. I also believe the U.S. has needed a leader who is as hardworking and knowledgeable as Gorbachev.

Timothy P. Sullivan
Whittier, Calif.

Your selection of Gorbachev is offensive. I realize that you justify it by saying you choose the person who most influenced the year's events for good or ill. But he represents a country that murders innocent people and shot down an airliner carrying women and children. Naming the Soviet leader implies he is a great man, no matter how you rationalize it.

Larry C. Smith
Carrollton, Texas

Among the people considered for Man of the Year, you mentioned Costa Rica's President Oscar Arias Sánchez, stating that he went to Stockholm to receive the Nobel Peace Prize. He did not. In accordance with the instructions of the founder of the Nobel Prizes, Alfred Nobel, the Peace Prize is awarded by the Nobel Institute in Oslo, not Stockholm.

Birger Kronborg
Oslo

Demanding Seniors

The article on the political influence of the American Association for Retired Persons [NATION, Jan. 4] scared me. I am one of the taxpayers who will have to pay for all the schemes that are being promoted for the elderly. What could be worse for America in the long term than another powerful group dedicated to milking the federal cow for all it's worth?

William T. Brockman
Atlanta

I would never advocate taking even a penny in pension or Social Security benefits from a truly needy retired person. But the '80s will be remembered as the decade when a selfish lobby of largely affluent older Americans used its political clout to extort increases in benefits from Congress far in excess of anything justified by need or prior contribution. The harvest of the '90s will be financial crisis and generational conflict.

Robert L. Day Jr.
Dubuque, Iowa

You may have given the impression that AARP is an organization for the aged. There are some of us who are not yet re-

tired or gray but who are members of the group. I am 52, and I belong. I feel that my membership gives me a voice in the present that will be a resounding echo in the future when I retire.

*Thomas A. Reynolds
Canton, Mich.*

I am an 87-year-old member of AARP, but I do not share or approve of the hog-it-all attitude held by many oldsters. To help reduce the deficit and balance the budget, the affluent aged should be willing to sacrifice cost of living increases in their Social Security payments, and senior adults should have their incomes taxed at the same rate as those of other people. I've been well paid for my services throughout my lifetime and do not feel society owes me any special privileges.

*Joseph H. Smart
Salt Lake City*

The Return of Gary Hart

In answer to your cover question "Will Gary Hart spoil the Democrats' chances?": only if he is nominated [NATION, Dec. 28]. As a lifelong Democrat, I find his re-entry into the race a disgusting spectacle of self-aggrandizement. It is the ultimate chutzpah. What a role model! Republicans, here I come.

*Alfred J. Lurie
New York City*

Hart should be acclaimed a hero instead of being ridiculed. He probably will not win the presidency, but at least he stood up to the press.

*Sanjay Swami
Orangeburg, S.C.*

Surely with Gary Hart it is not a question of immorality but of control. A man who has so little command of his sexual urges and can apparently be easily manipulated by others is a doubtful candidate to govern America.

*Valda Lynen
Vallauris, France*

This man believes we have no right to information about the private lives of those who wish to be President. Personally, I agree with the saying that the true measure of the worth of a man is what he does when he thinks no one is looking.

*Christopher Ann Cowan
Fairbanks*

Israeli Crackdown

On the subject of the state of siege in Israel resulting from Palestinian protests [WORLD, Jan. 4]: it is ironic that the Israelis, a most history-conscious people, are ignoring the lessons of history. They should learn from the folly of Solomon's successor Rehoboam, who tried to crush discontent by making the tax burden heavier. The yoke of occupation is heavy enough as it is.

*Gregory Papayoti
Houston*

The Palestine Liberation Organization can be counted on to stage disturbances around Christmas and Easter that are instigated to discourage Christian pilgrimages to the Holy Land. From time to time, P.L.O. bosses mistake Israel's freedoms of speech and assembly for the freedom to riot. Recent disorders have been quelled by Israel with the minimum force required. Watch for the next performance sometime in March 1988, before Palm Sunday.

*Avraham Berkovits
University Heights, Ohio*

Babbitt's Bid

If Democratic Hopeful Bruce Babbitt is able to convince the American people that taxes must be raised, then he has the leadership qualities necessary to become the next President [NATION, Jan. 4]. He'll be the odds-on favorite for Man of the Year of 1988.

*Timothy G. Mannors
Wilton, Conn.*

Babbitt is a candidate many are afraid of because he aims to remove our excess. This country needs a man like him to cut the deficit that the current Administration has run up.

*Sean McGann
Andover, Conn.*

President of the Board

In the article about San Francisco's new mayor, Art Agnos, you say Agnos, in the December runoff election, defeated "John Molinari, president of San Francisco's board of supervisors" [NATION, Dec. 21]. Molinari is not president of the board of supervisors of the city and county of San Francisco. I took over that position in January 1987.

*Nancy G. Walker, President
Board of Supervisors
City and County of San Francisco*

TIME regrets the error.

Chilling Terminal

You proclaimed the United Airlines terminal at Chicago's O'Hare Airport a "fun airline terminal" in your review of 1987's best buildings [DESIGN, Jan. 4]. Sitting there between planes for nearly two hours, shivering in a December predawn chill, was not my idea of pleasure. I appreciate United's terminal as a scintillating monument to nostalgia, but I wonder about the expense of adequately heating, cooling and cleaning this glass barn, which, added to the \$500 million construction costs will certainly be passed on to the customer.

*Ledford C. Carter
Bloomington, Ind.*

LETTERS TO THE EDITOR should be addressed to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020, and should include the writer's full name, address and home telephone. Letters may be edited for purposes of clarity or space.

"I don't know if you remember me, but we had the worst night of my life together."

Woody Allen to Dianne Wiest
—*Hannah and Her Sisters*
November 7, 1987. On HBO.

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American Scene

In Virginia: How to Dress Up a Naked Lawn

Most of the people who stop at Carroll Harper's place are tourists from up North or from over on the other side of the Blue Ridge, in the District of Columbia's westward-creeping suburbs. But the two men standing out front next to a pickup truck, wearing overalls and visored caps, are obviously locals. "My brother got me a statue here last week. He thought I'd like it," says one, the soft twang of his western Virginia accent confirming the visual evidence. "I don't. Can I trade it in on something else?" Harper, a stocky man of medium height, thinks a moment, then replies, "I don't see why not. What kind of statue was that, anyway?" "Some kind of mannequin" is the reply.

It turns out to be a madonna, 3 ft. high—perfect for a porch in Hoboken, N.J., perhaps, but maybe a little out of place dressing up a Shenandoah Valley farmer's front yard. The farmer looks around for a few minutes, then asks, "How about if I take that deer over there and pay you the difference?" The animal in question is a buck, 4 ft. high, with an impressive rack of gleaming metal antlers. "That'd be fine," says Harper. He calls his sons Doug and Dale and son-in-law Russell Armentrout out of the work shed to reclaim the Virgin Mary and wrestle 300 lbs. of concrete venison onto the truck bed.

The chance that the farmer would have failed to locate something he liked was approximately zero: on a mere 1½ acres, Harper's Lawn Ornaments, just north of Harrisonburg, Va., has one of the largest selections anywhere of items for people who shudder at the thought of a naked lawn. The place is crowded with hundreds of objects designed to satisfy every yearning: there are pedestals holding colored glass balls that resemble huge Christmas-tree ornaments, 6-ft.-tall ranch-style windmills, plastic pink flamingos—and some items that are downright tasteless, notably a painted wooden figure that depicts an obese woman bending over, seen from behind. "I won't go so far as to say we're the biggest in the business," says Harper. "I heard of some place in Chicago that has a pretty big stock. But we do have the biggest variety I know about."

That is especially true when it comes to concrete: while the flamingos

and their kin are concentrated up front, near the highway, the enormous side yard is filled with concrete birdbaths, statues (including Jesus, St. Francis of Assisi, gnomes, Mickey Mouse and Donald Duck), decorative paving stones, planters and fountains, all neatly stacked in piles up to 6 ft. high. Most impressive is Harper's collection of concrete animals. He has 20 types of deer alone, ranging in size from a miniature fawn up to the just departed buck, and 18 kinds of frogs. There are also lifelike rabbits, geese, chickens, lambs, foxes, crocodiles, armadillos, toy poodles and blue jays. On a larger scale, Harper features full-size pigs and half-size cows and black bears, which

round," says Harper, as he leads the way into the shed, a dirt-floored, corrugated-metal building about 30 ft. wide and twice as long. The shed is filled with the paraphernalia of the concrete game. One 60-ft. wall is hidden by floor-to-ceiling shelves filled with empty molds and piles of rabbits, frogs and other small animals. In front of the shelves sit three long work tables cluttered with cans of oil, reinforcing rods and clamps.

The rest of the building is devoted to larger projects: one of the big-deer molds, clamped together and full of concrete that was poured the day before, is propped up on a homemade wooden frame. Several other drying molds, including a planter with a fox peering over the edge and a large turkey, stand on their own. Moving among them, Doug is methodically assembling and preparing two different kinds of molds for today's pouring. The aluminum variety comes in sections, which he clamps together and paints inside with used motor oil, so the concrete won't stick. The other molds, made of rubber, come in a single sheet that nestles into a fiberglass form. "Aluminum molds are the best," says Harper, "because they last forever. But even though rubber wears out after a few years, you need it for anything with a lot of fine detail, so you can peel the mold away a little at a time." While Doug gets the molds ready, Dale and Russell are preparing concrete at the far end of the



For lovers of lawn ornaments, Carroll Harper's place is nearly Nirvana

nevertheless weigh about a fifth of a ton.

What keeps the customers coming back from as far away as Buffalo, though, is not just the selection: because Harper and his family make all their concrete statuary right on the premises, the prices are low. The pig, for example, is just \$34, and a 10-in.-high rabbit is \$3.50; it might sell for three times as much in a typical garden store. Brightly painted versions (too brightly, some might say) cost about 20% more. Says Harper: "I guess we sell about half our concrete painted and half not."

But it is too cold to stand outside talking: the temperature is down in the 30s, and the sky is clouding up. Besides, there are few buyers at this time of year, and the boys are inside working to replenish the stock for the consumer onslaught that will begin around Mother's Day and last all summer. "We pour six days a week, year

room. "I'd say we do 150 items a day," says Harper. "What we really need is a building four times this size. Then we could do more pouring in winter and build up the stock."

If the assembly line works smoothly, that is no surprise. Harper and his wife Betty started the business some 25 years ago. "At the time," he says, "I was working at the local Safeway supermarket. But I thought it might be nice to get into my own business." He was looking through a garden magazine one day when he saw an ad for a concrete-mold catalog. "I got it, even though they wanted \$3 for it," says Harper, and sent away for a concrete-planter mold. He and Betty started in the backyard. In winters they poured in the basement.

"At first," he remembers, "business was slow, but it's just sort of gone wild."

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American Scene

The boys began helping out when they were five or six, and as they grew up and got more involved, Betty specialized in decorating the concrete. When Harper built the shop, which is about a 15-second commute from their red brick, one-story house, Betty got a corner, where she uses an air compressor to spray-paint the animals with automotive-grade enamel. Almost from the beginning, says Harper, "I've been saying I want to slow down. But then I order more molds." That is an expensive habit: the deer mold cost him about \$700 and the pig \$400 or so. It would be cheaper to make his own molds, and Harper has tried it, but the job is just too time consuming. To keep the assembly line going, he needs as many as six copies of each, and he carries scores of items.

Just then, a visitor walks in, a chubby man with the kind of short, wire-brush haircut that has been out so long it is back



Proud creator: Harper and a concrete pig

in again in certain regions of New York City and Los Angeles. He is Ray Judd, a colleague from the days when the concrete business was populated by honorable men. "Ray had a place up near Luray, but we didn't used to compete," Harper reminisces. "We even traded molds. Nowadays the competition won't even tell you where they buy theirs. I think it's time to get out of this business." But then he drags Ray outside to inspect a new figure, a massive concrete hound balanced on its hind legs. The front paws could rest on the shoulders of a man 6 ft. tall. Harper did not make the dog; he bought it from another dealer. "I'm trying out the statue first before I order the mold," he explains, while Ray nods sagely. "I don't trust those hind legs. They're so thin I think they'll crack, and I don't see how we could reinforce them." If there is a way, though, Harper will probably find it, and connoisseurs of concrete will find it harder than ever to narrow down their choices. —By Michael D. Lemovick

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A Letter from the Publisher

As an angry Palestinian uprising continued to boil over in the West Bank and Gaza last week, the Israeli army tightened press access to the turbulent refugee camps. That did not stop TIME Jerusalem Bureau Chief Johanna McGeary from crawling through a knee-high hole in the wall to interview residents in a camp. That kind of dogged pursuit is only one of the journalistic skills required to cover the bloody conflict in the Israeli-occupied territories. Besides confronting tear gas, rocks, bullets and Israeli press restrictions, reporters face the daunting logistical problem of following what McGeary describes as a "war without a front," in which violence may erupt without warning in any one of 27 camps. "Being at the right spot on any given day is as much luck as good intuition," she says.

Luck and intuition—plus a solid news sense—have often combined to put McGeary in the right place at the right time. She ducked her first stones while reporting for TIME in Boston during protests against court-ordered school busing. As a TIME White House correspondent during the Carter Administration, she followed all 444 days of the Iran hostage crisis. Next came 5½ years as the magazine's State Department correspondent, covering a spectrum of U.S. foreign policy concerns that were



McGeary and fellow Jerusalem bureau staffers

often dominated by the Middle East. McGeary's move to Jerusalem last April put her in the front lines of one of the world's most dramatic stories.

Covering the latest round of Palestinian unrest has proved both challenging and painful for everyone in the Jerusalem bureau. "The battle for freedom of the press has been one of the most anguishing parts of the story," says Reporter Robert Slater, who is also head of the Foreign Press Association in Israel. The plight of the nervous young Israeli soldiers who have been sent into the camps to quell the disturbances is another. "I know exactly how they feel," says Reporter Ron Ben-Yishai, a military-affairs expert, who serves in the Israeli army. "Very often I experience a strong conflict between my inner feelings as an Israeli and the professional need to see things as they are." The other side of that conflict is acute for Reporter Jamil Hamad. "It is difficult to report what goes on in the West Bank when you are a Palestinian," says Hamad. "On the one hand, you try to be impartial. To me, on the other hand, the tears of mothers and fathers are not just a scene to report."

Robert L. Miller

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Robert L. Miller



TIME JANUARY 25, 1988

COVER STORIES

"It Seems to Work"

When those who sink plows turn to the task of picking Presidents

IOWA When the votes are all tallied and the goodbyes said and the claps of work-thickened hands finished, the lingering flavor of the Iowa caucuses in the chill February night will be rich brownies and giant chunks of fudge mixed with laughter and hugs for neighbors and the silent thanks for the right to do what they have just done. The people of this down-to-earth state will have made the first significant declaration to the world about whom the American electorate has in mind to be the next President. Serious business.

"I can't stand cigar smoke," says Johnson County Farmer Harry Seelman. "I believe in democracy. It's a duty." That is his explanation of why he will rally at least eight of his twelve children, load

them with his wife Lucille into the family's gray 1980 Chevy Citation (a veteran of 105,000 dusty miles) and head to Union Township's caucus in nearby West High School for the clear and open ritual of boosting Massachusetts Democratic Governor Mike Dukakis. No back-room dealing for Seelman. And no pussyfooting on the tough issues. "The Dukakis farm plan is not as good as Gephardt's," says Seelman, whose land has been in the family for more than 150 years. "It's just the sense of the man. Franklin Roosevelt didn't know much about farming, but he knew what to do. He saved us."

They no longer need emergency treatment out in Iowa, but they want some help as they weave modern industry and service into the old, faltering heartland matrix of small towns and family farms. These crafty Iowans have stopped feeling sorry for themselves because of the agriculture price collapse and have begun hustling. They make gin and vodka out of surplus corn, and they are thinking about growing strawberries and snails as well as soybeans. There are deer herds in the valleys, and the pheasant population is 2 million, which is not like hogs (13.8 million)

or cattle (4.6 million) or even people (2.8 million), but it all means economic diversity and jobs.

The caucus process has become an industry in itself, which is somewhat troubling. State leaders see a gain from big media attention. Des Moines Restaurant Impresario Guido Fenu figures to do an extra \$20,000 in business because of the political groupies who now inundate the Savery Hotel. James Barnes, chief political reporter for the *National Journal*, sought out a "typical" Republican home in Des Moines to witness the reaction to the debate of the candidates a fortnight ago. When he arrived, a crew from the C-SPAN network was in the living room, and one from a local station soon rolled up. The housewife loved it all, a newly crowned media queen.

Iowa keeps 93% of its rich loam in farms, the heritage of a century of building a special culture on that treasure. There are in Iowa eight cities with populations over 50,000 but none with more than 200,000. Crowding is almost nonexistent, and so the attendant evils of crime and hopelessness are minimal. The core of the population also has some link to



those people who first halted on the tallgrass prairie and sank their plows. Writes Author John Madson, an eloquent native Iowan: "Grassland of such magnitude was wholly alien to the western European mind. It diminished men's works and revealed them to a vast and critical sky, and forced people into new ways of looking at the land and themselves and changed them forever."

Indeed, many of the first adventurers hurried on to the Rocky Mountains to trap beaver. Gold seekers cursed the great weathers of the grass country that seared them in summer and drove iced spikes into their souls in winter. Had they looked down, they would have seen earth that in 1900, only a half-century later, would produce 1½ times the wealth put out by all the world's gold mines. But coaxing wealth from sun and soil and water is a process of patience and presence. Nomads have little understanding of that life, and movement is much of presidential politics.

This opening struggle for the presidency is a roving and restless assault on the sensibilities of the Iowans. The candidates and their handlers come in droves, encased in gleaming jets, dressed in dark pinstripes and tasseled shoes, determined to make the caucuses a stage that their men can exploit. Events propel them so rapidly that even if they wanted to understand Iowa, they would not have time. Hence George Bush talks about debutante parties as if Dubuque were Greenwich, and Gary Hart thinks he can somehow walk away from an indulgent weekend. Pete du Pont promotes school



City slicker interviewing skeptical Iowa farmer

vouchers that just might sink a lot of Iowa community schools already pressed to keep up the high quality established when corn sold high. Though Paul Simon, Richard Gephardt and Bob Dole come from neighboring states, they are power dwellers, long gone from the quiet desperations of Main Street. Anyway, they cannot linger too long. Iowa is January's campground for media on the presidential march.

Almost daily some story or broadcast is sent out from Iowa that laments the "bleak and frozen landscape." Frozen it is, sometimes as deep as five feet if no snow cover comes to hold in the natural heat. But *bleak*? Bleak is in the eye of the beholder. Eagles congregate in winter along the Mississippi. Kids whack cans across frozen ponds and belly flop on their sleds down crystalline hills. And on some nights, with moonlight glazing the fields, come the howls of coyotes, a surviving shiver from other centuries when great adventure lay over that uncharted horizon.

"I'll take the Iowa caucus as an accurate measure more seriously than the New Hampshire primary," insists Writer Madson. Its political system is almost free

of corruption. Its kids always score among the top on national exams. "The accident of the caucuses in Iowa is a happy accident," declares Novelist Frank Conroy, a transplanted Easterner.

Yet Iowans were, and perhaps are, capable of some racialist. George Mills, Iowa journalist and historian, relates that in the early caucuses the requirement that time and place be posted on a tree was sometimes met by partisans' peeling the bark away, nailing the notice on the bare spot, then tacking the bark back over the notice. Once, says Mills, progressives found an old barn that they torched just

as the Republican caucus began, and the unwitting standpatters rushed out of the hall to help with the fire while the progressives stayed, voted their will, then adjourned.

There probably will not be any barn burnings on this caucus night. But the airwaves will have been heated with exorbitant claims of the leadership qualities of the candidates, and the television folk heroes will have arrived along with 2,499 other journalists. The hype will reach to the far stars. Iowa will seem far bigger than it really is. America will have to rely on the enduring sense of those quiet heartland people.

So Cornelia Hoy on the big night will gather up her sugar cookies, spread a little cream-cheese frosting on them and go on down to the Raccoon Valley State Bank's community room in Adel, a town rejuvenated by yuppies who live there and work in Des Moines. She will meet precinct Co-Chairwoman Jean Siegrist, and they will check the coffeemaker, open up the doors and wait for their fellow Republicans to arrive. When the greetings are over, they will bring the caucus to order and ask their neighbors to cast the secret ballot that is the crucial straw vote on the presidential candidates. The count will be tallied and then beamed around the world. "It's a pretty amateurish affair," says Mrs. Hoy. "We sort of stumble through it, but it seems to work." The story of these United States. —By Hugh Sider



The Folks with First Say

How Iowa, where corn is no longer everything, is shaping the 1988 race

IOWA Not since that pater-perfect trombone salesman, Professor Harold Hill, arrived in River City to organize a boys' band has Iowa seen a confidence game this audacious. But where *The Music Man* set out to hoodwink the locals, this time the tables are turned: Iowa has pulled off a sting on the rest of the nation. Who could have imagined that Iowa of all places could create a \$20 million winter tourist industry? This is, after all, a state where the weather is so fierce that Des Moines had to construct a lattice-work of skywalks to shield shoppers from the wind chill. Here is a state that, though the highest elevation is 1,670 ft., has found a way to lure city slickers away from the ski slopes of New Hampshire. The secret, of course, is the tribal ritual known as the Iowa caucuses, that moment in presidential politics when the snowblower finally hits the driveway.

On the night of Feb. 8, while most Americans are sensibly warming themselves from the glow of TV tubes, upwards of 200,000 Iowans will brave the harsh elements to attend political meetings in 2,943 precincts across the state. Their ostensible purpose is to pick delegates to attend obscure county conventions in March, but the results will be heralded in 76-trombone fashion as the first referendum on the 1988 field. In one of American democracy's strangest eccentricities, these 200,000 dutiful citizens from an

atypical prairie and river-soil state could have far more say in sorting out the presidential contenders than anyone else.

Even so, there will be few of the familiar trappings of democracy: no polling booths, no official ballots issued by the state and, for the Democrats, not even a shred of secrecy about each participant's vote. Confusion, even chaos, is likely. In years past, there have never been fully ac-

curate tallies of exactly who the Iowa caucus attendees supported. But like compulsive gamblers playing with a 47-card deck, the press and conventional wisdom makers will somehow manage to anoint winners, belittle losers and quickly rejigger the odds for the Feb. 16 New Hampshire primary and beyond. In a year with no cutting issues or commanding front runners, Iowa looms larger than ever as it



Do you think it would be better to have a Democrat or a Republican as our next President?

	U.S.	Iowa
Democrat	36%	41%
Republican	30%	26%

Have you personally met any of the candidates? (Asked of likely voters and caucus participants)

% who say yes	U.S.	Iowa
Democrats	7%	21%
Republicans	5%	23%

From a national telephone poll of 1,804 adult Americans taken for TIME on Jan. 3-4 and an Iowa poll of 1,783 taken on Jan. 3-7 by Yankelovich Clancy Shulman. Sampling error is plus or minus 3%.



gets ready to bless one Republican and one Democrat with the elusive "Big Mo."

Three weeks before the caucuses, Iowans are still reluctant to pledge their troth or even go steady. A TIME poll of voters who say they are likely to attend a caucus found that only 34% of the Republicans and 36% of the Democrats were firm in their allegiance to a specific candidate. Even the Republican race, dominated by George Bush and Bob Dole, remains difficult to handicap. "There is a very large group of Republicans still undecided, maybe 40%," says George Wittgraf, the Bush campaign's Iowa coordinator. "That doesn't show up in surveys that are 'screened' for caucus attendees."

But at least among the Republicans, it seems possible to frame the right questions. Can Dole maintain his apparent lead, or will his homespun, one-of-us posturing ring hollow amid talk of \$600,000 family income and convoluted blind-trust transactions? Will Bush's attempts at

modified full disclosure put Irancon to rest and allow him to surge from behind with a last-minute television blitz? Can Pat Robertson somehow squeeze into second place with his still largely invisible army of politicized charismatics? As for Jack Kemp and Pete du Pont, will weak finishes in the caucuses doom their last-ditch efforts in New Hampshire?

Among the Democrats, there is only one near certainty: Albert Gore, who has shrewdly and vociferously forsaken Iowa to concentrate on the Super Tuesday primaries in the South, will probably finish last. Otherwise, Iowa Attorney General Tom Miller is right when he calls the Democratic race the "most volatile campaign I've ever seen." Since Gary Hart's initial withdrawal last May, no Democrat has been able to maintain a firm lead. "As campaigns come into Iowa and get organized, for a moment they're hot," says Bonnie Campbell, who chairs the state party. "It happened to Dick Gephardt, it

happened to Mike Dukakis, and now it's happening to Paul Simon. But at some point, you bump up against a ceiling."

Most political organizers believe Simon remains the candidate to beat, although widespread skepticism about his deficit arithmetic has taken a toll. The recent TIME poll gives Hart a weak lead, but the once defrocked candidate will have trouble mobilizing enough of this protest vote on caucus night, if only because he has no organization. As in 1984, when he received less than 2% support, Jesse Jackson attracts more curiosity than likely votes. But Bruce Babbitt, who lags at the bottom of most polls, has the organization to rebound dramatically: his outspoken candor has transformed him into the media's pinup of the month.

Viewed from almost any vantage point, the talismanic importance of the Iowa caucuses is bizarre. They are not buttressed by tradition: until Jimmy Carter discovered media magic there in 1976, Iowa was not even as important as neighboring Nebraska in the presidential-selection process. The caucuses are not a perfect bellwether either: Iowans embraced George Bush in 1980 and Walter Mondale in 1984; both then lost the New Hampshire primary. Turnout for the caucuses is small compared with most early-primary states: New Hampshire voters are about four times as likely to participate as their Iowa counterparts. As a prominent Des Moines attorney who has attended every Democratic caucus since 1976 asked quietly, "Why Iowa? What have we done to deserve all this attention? We're really not that typical."

Why Iowa indeed? It is fine for David Oman, the co-chairman of the state Republican Party, to claim, "Iowa is a good place to start. This is mid-America, and most of us live in small towns. The state is very open, clean and fair. There are no political-machine bosses to dominate the debate, and we are very much a two-party state with a level playing field." All true, and these high-minded attributes taken



Do you approve or disapprove of the way President Reagan is handling his job?

	U.S.	Iowa
Approve	51%	38%
Disapprove	40%	52%

Do you think the country's problems are no worse than at other times, or that the country is in deep and serious trouble?

	U.S.	Iowa
No worse	51%	44%
In serious trouble	43%	49%

Morning comes too Early, Iowa: where voters take their civic responsibility seriously

by themselves would be enough to make Iowa the Miss Congeniality of presidential politics. But Midwestern hospitality, admirable as it may be, does not compensate for the lack of diversity that undermines Iowa's claims as the nation's leading test market for Campaign '88.

For by almost every reckoning, the state, if not quite Wonder bread, is at least whole wheat: overwhelmingly white and largely Protestant and middle class. Only about 2% of Iowa's 2.8 million people are black or Hispanic. The state's proportion of foreign-born residents is equally minuscule. At the Waterloo Rotary Club recently, the toastmaster told an ethnic joke—about Norwegians from Minnesota.

Urban problems are largely an abstraction. Des Moines, the state's capital and largest city, has a population of 183,000, and its revitalized downtown area more closely resembles a suburban shopping mall than a major city. In Iowa, crime is something that happens on television: the state's rate of violent crime is 60% lower than the national average. Iowans frequently boast of never locking their doors; politeness remains almost a state religion. As Roxanne Conlin, the unsuccessful 1982 Democratic gubernatorial nominee, jokes, "Being rude and killing someone are about on par here."

Iowans have a solidity and a temperance that make the state seem like an outpost of Lake Wobegon. The Hawkeye State first embraced Prohibition in 1882, and the lemonade legacy remains: Iowans drink less liquor per capita than the residents of any state save West Virginia, where illegal moonshine is not counted in the standings. Des Moines is the Jell-O-eating capital of the nation. Cakes are still made from scratch; consumers buy ingredients like baking chocolate at roughly double the national norm.

Marketers view Iowans as stubbornly resistant to change: they are unlikely to be the first to try new types of products. "I would take a new tartar-control toothpaste into Des Moines or the Quad Cities because it wouldn't require people to change their behavior by brushing their teeth more," theorizes Watts Wacker, senior vice president of the survey-research firm of Yankelovich Clancy Shulman. "But I wouldn't take a tartar-control mouthwash there, because that requires change in usage patterns." Iowans are even contrarian enough to believe still in the superiority of American automobiles: foreign-car sales are only half the national average.

Some of these traditional attitudes are rooted in a simple yet alarming demographic reality: Iowa's population is getting smaller and older. Since 1980 the state has lost 80,000 people, many of them younger workers who could not find jobs in a troubled farm-based economy. A University of Iowa study of recent graduates found that less than half continued to live within the state. "It scares me that Iowa is losing population," said Vern Harvey, a Bettendorf builder, after a recent Kemp rally in nearby Davenport. Replied Pete Agnew, an accountant in his late 30s: "People I know my age have gone to find the rainbow in California."

This brain drain has left the parents and grandparents behind. Iowa is now the nation's third oldest state. The nonpartisan American Association of Retired Persons, boasting 300,000 members in the state, is spending \$250,000 on TV ads and phone banks to prompt older Iowans to make their presence felt on caucus night. Senior-citizen centers are frequent campaign stops, as most candidates vie to affirm their commitment to the sanctity of ever rising Social Security benefits. Only Rabbitt, who advocates full taxation of benefits for the affluent, and Dole, who is willing to freeze cost of living adjustments, dissent from this united front of pandering politicians.

But it is a mistake to assume that Iowans can simply be reduced to a Grant



Wood painting. Gone is the era when John Gunther could confidently declare in *Inside U.S.A.*, published in 1947, "Corn is everything in Iowa." The state is still the nation's leading producer of corn and hogs, but these days only 10% of the labor force continue to work the land. "Many people in Iowa have never been on a farm," says Political Scientist James Hutter of Iowa State University. "I imagine that fewer than half of my students



MICHAEL DUKAKIS: drifting themelessly toward New Hampshire



BOB DOLE: clinging to a narrow lead with his homespun appeal

Izes Iowa farm families' being driven off the land they love.

The farm crisis was indeed real, but current problems are not nearly so dire as movie images would suggest. During the first half of the decade, Iowa farmers were devastated by high interest rates, falling commodity prices and a collapse in land prices, their primary collateral for loans to pay for equipment and seed. But then came a costly federal bailout: the \$28 billion 1985 farm bill. Aided by a falling dollar that spurred agricultural exports, farm income soared by 30% between mid-1986 and mid-1987. "Farmers are making strides," concedes Neil Harl, a professor of agriculture at Iowa State. "They are not using income to buy machinery. It will be two or three years before we are out of the problem."

Myth: Iowa's economy is mired in depression amid a decade of prosperity.

In truth, Iowa is not doing badly these days, thank you. Republican Governor Terry Branstad hailed 1987 as the "best year of this decade for Iowa's economy." The state's current unemployment rate is less than 5%, significantly better than the national average. Many of Iowa's new jobs, however, are unskilled, low-wage positions. Organized labor, which has lost one-third of its membership since 1979, is

particularly feeling the pinch. John Deere, the Waterloo agricultural-implementation manufacturer, has slashed its work force from 16,300 in 1980 to 6,000 today. Rath, a major Waterloo meat-packer, went bankrupt, laying off 2,000 workers. Perry Chapin, who heads the South-Central Iowa Federation of Labor, broods, "If you want to work, you have to take a cut."

Myth: Iowans are not quite bumpkins, but they are a tad unsophisticated.

Nonsense. This canard cannot survive a single question-and-answer session between Iowans and a candidate. Small-town voters routinely ask probing questions about esoteric topics like Namibia. These days even the little old lady in Dubuque is probably watching C-SPAN as well as reading *The New Yorker*. In 1986, Iowa's high school students ranked first in the nation in their scores on the college-entrance exams administered by the American College Testing Program. Nearly nine of ten Iowa students graduate from high school. This commitment to public education fuses with Iowa's highly developed sense of civic duty, which stresses service on school boards and other local bodies.

Myth: Iowa stubbornly clings to its Midwestern isolationist tradition.

There is a germ of truth here, since Iowans in both parties are undeniably more dovish than the national electorate. The TIMT poll of probable Iowa caucus attendees, for example, found that Iowa Democrats overwhelmingly and Republicans narrowly oppose aid to the *contras* in Nicaragua. This is in contrast to the poll's national sample, in which Republicans tend to support *contra* aid and Democrats oppose it, but by a narrower margin than in Iowa.

Yet the isolationist label is misleading. Iowans are in fact interested in world affairs, with a markedly nonbelligerent, almost smile-button attitude. Economics may provide part of the explanation: Iowa is that rare state that can be said to live off the peace industry. Devoid of military bases or major defense industries, Iowa is linked to the wider world through trade. Explains Democratic Party Leader Campbell: "Our farmers are proud to feed people overseas. There's a conflict between that and killing people overseas. This kind of thinking breeds a certain degree of pacifist sentiment."

Among Democrats, that sentiment is tightly organized. Iowa's leading peace group, SIARPA, sponsored a Democratic debate last September and subsequently gave its blessing to all participants except Gore. The antipathy is mutual, since

have spent more than a day on a farm."

These age-old images of Iowa, however, die hard. Even the candidates, who routinely feign enthusiasm while touring hogpens, foster the hayseed stereotypes. Although their state dominates the news in the closing weeks before the caucuses, Iowans can rightly claim to be misunderstood. Four myths in particular color popular assumptions about the state and its voters.

Myth: Jessica Lange in *Country* symbol-



GEORGE BUSH: going for a knock-out with a late media blitz



RICHARD GEPHARDT: strong TV ads help him move up fast in a flaccid field

Republicans is generally a well-ordered affair. But Democrats, characteristically, must labor under the heavy burdens of participatory democracy run amok. Caucuses frequently last beyond midnight, as participants debate policy resolutions and try to comply with the party's arcane threshold requirements, which demand that a candidate win 15% support to garner any delegates.

Television ads are a notoriously inefficient way to reach Little Iowa, because most of the message and money is squandered on nonparticipants. Still, all major players in the state have made heavy media buys, though Bush has carefully hoarded his ammunition for the climactic final days. The ads currently running on Iowa TV are revealing, particularly for what they say about each candidate's strategy as the campaign moves into the final weeks. Confidence is the implicit message conveyed by Dole and Simon; their commercials are vague and thematic, presumably designed to do little more than solidify inchoate support. Robertson has perfected a different kind of soft sell, speaking directly into the camera without props or backdrop, glossing over his TV-preacher past and ending with the soothing words, "I'm not asking for your vote. I'm just asking you to listen."

Gephardt, in contrast, is almost hyperactive. His strongest commercial is one in which he hammers home the protectionist message that, because of trade barriers, a \$10,000 Chrysler K-car costs \$48,000 in Korea. The ads have helped Gephardt jump in the polls, and once again he appears within striking distance of the leaders in Iowa. Dukakis cannot seem to decide on an approach: his ads range from soporific issue spots to an ill-defined image appeal. In contrast, Babbitt is leading with his strength: in a recently aired commercial, an unseen narrator reads the candidate's favorable press notices in the *Los Angeles Times*, the *New Republic* and *TIME*. As for Kemp and du Pont, both trying to squeeze out Robertson for third place, their media strategies amount to little more than a "Hail Mary" forward pass. Both are stressing their favorite long-shot issues: tax cuts for Kemp and restructured Social Security for du Pont.

Campaign organizers in both parties have a saying they repeat in almost mantra-like fashion: "Organize, organize, organize, and then get hot at the end." After a sizzling campaign week to open the New Year, both Bush and Dole decided they did not like it so hot so soon. For most of last week, the G.O.P. front runners went into a defensive crouch fending off their personal demons: the Iran-contra af-

Gore used the forum to attack STARPAC's demand for a pledge to ban all flight testing of missiles. Not long afterward, the Tennessee Senator officially embarked on his ignore-Iowa strategy. As Campaign Manager Fred Martin says, "Gore came to the conclusion that if it took pandering to interest groups to win the Iowa caucuses, then that wasn't the goal."

Even the leading Republicans have learned to soft-pedal hawkish rhetoric in Iowa. Bush's first Iowa TV ad, aired last month, stressed his strong support for the President's INF treaty with the Soviet Union. Similarly, no epithet hurled by the Bush campaign has irked Dole more than the label "Senator Straddle" for his awkward stutter-step on the INF treaty.

In terms of the presidential caucuses, there are, in effect, two Iowas. Big Iowa—the state of 2.8 million people and 1.5 million registered voters—is almost irrelevant, except as a scenic backdrop for campaign commercials and TV sound bites. All that

matters is Little Iowa, a mythical state with a population smaller than Alaska's, a tiny political universe of roughly 110,000 Republicans and 100,000 Democrats likely to attend the caucuses on a cold Monday night in February. The rub, of course, is that the residents of Little Iowa are inconveniently sprinkled across the 55,941 sq. mi. of Big Iowa, indistinguishable from their neighbors by any characteristics save their political commitment and, perhaps, the presence of their name on a campaign's canvass list.

In Iowa, organization is a fancy name for having the right lists and enough people to call them. Aside from Gore and Alexander Haig, who have hoisted the white flag, and Hart and Jackson, who are depending on name recognition and serendipity, the other nine campaigns are following roughly the same strategy: identify your supporters, woo the uncommitted, and make certain to get out your hard-core vote on Feb. 8. Caucus night for the



PAUL SIMON: some of the luster is gone, but he remains the Democrat to beat

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Nation

fair for Bush and for Dole a series of murky questions about the handling of his wife Elizabeth's blind trust. The Kansas Senator was provoked to fire his finance chairman, who was also the administrator of the trust. Neither of these press flaps seems to have much traction; even private Dole polls say Bush has not been damaged by Iranscam in Iowa. But by the weekend, the Battling Bickersons of G.O.P. politics were at it again, as Bush and Dole clashed at a New Hampshire debate over the release of their voluminous tax returns.

The stakes in Iowa are far different for Bush than for Dole. Buoyed by a messy but welcome victory in Michigan's county conventions last week—an episode so byzantine and now so mired in legal disputes that it would have had an impact only if Bush had been badly beaten—the Vice President can afford to come in second in Iowa, though not by an embarrassing margin. His money and broad organization would allow him a good chance to recoup in New Hampshire eight days later. But defeat is a luxury that Dole can ill afford. Peter Teeley, the Bush campaign spokesman, is exaggerating when he claims, "If we win Iowa, it's all over. We'd have beaten Dole in his own backyard." In truth, the minority leader has enough money to survive defeat. But it is impossible to derail a sitting Vice President unless you win somewhere, and Iowa is Dole's best hope.

Pat Robertson is the wild card. Though his support is narrow and his negatives are Nixonian (56% in the latest nationwide TIME poll view him "unfavorably"), Robertson's adherents are deeply committed. They will work for him and round up other "spirit-filled" supporters on caucus night. If the turnout is low, his committed crusaders could jolt the party establishment; even Bush insiders concede that Robertson might finish second. That would come close to crippling whoever runs third and prompt party regulars to rally round the Iowa winner as a way of de-railling Robertson.

The conventional Democratic contenders in Iowa—Simon, Dukakis, Gephardt and Babbitt—have been stuck on a treadmill devoid of any themes that arouse half the curiosity of Gary Hart's dramatic return from exile. Simon seems the beneficiary of this placid status quo, while Dukakis just drifts, perhaps from New-Hampshire-is-next overconfidence. But Babbitt and Gephardt, in different ways, have at last seized on what they believe is a cutting issue in Iowa: populism.

Babbitt framed the issue by intervening in a local dispute over whether IBP, a militantly antiunion meat packer with a woeful safety record, should build a plant in Manchester, Iowa. The controversy might seem arcane to outsiders, but IBP symbolizes antiunion trends that arouse deep feelings among Iowa workers. Babbitt won statewide headlines by labeling IBP a "corporate outlaw" and a "monument to everything shabby... in the American economy." It was not empty rhetoric, since Babbitt artfully used IBP as a bridge to dramatize his own detailed proposals for employee par-

funded and overextended campaigns simply cannot afford weak third- or fourth-place finishes. How they must envy Dukakis, who has raised \$11 million and will go on to New Hampshire with a home-field advantage. Simon, who has demonstrated surprising staying power, is confronted with the same question as Dole: If not Iowa, where? Conversely, a Simon victory could confound the race. As University of New Hampshire Political Scientist David Moore argues, "The momentum associated with the Iowa results could very well mean victory for Simon and Dole in New Hampshire if they win in Iowa."

What about Hart, that simultaneously brash and spectral presence who seems to symbolize the Democratic doldrums? His long-awaited first joint appearance with his Democratic rivals came last Friday night at a debate sponsored by the Des Moines Register. But instead of fireworks, there was only fizzle. Moderator James Gannon opened with the predictable adultery question, and Hart rattled off his polished yet somewhat jarring apologia: "We have never expected perfection from our leaders, and I don't think we should begin now." He added, "I'm a sinner, but my religion tells me that all of us are sinners." His rivals never mentioned Hart's character or morals. Two hours was all it took for Hart, who seemed wan and out of practice, to take on the earnest aspect of just another Democrat debating issues.

But the debate was important for another reason: it served as a reminder of how much Iowa itself has at stake on Feb. 8. Albert Gore came to Des Moines not to seriously contest the caucuses but to chastise Democrats for placing such importance on the unrepresentative Iowa test market. But the process has to start somewhere. Though Iowa may not be a perfect microcosm of America, it offers an educated and committed electorate that takes its moment in the winter sun seriously. And though the caucus process may seem unreasonably quirky, it serves to test the depth of commitment people feel toward a candidate, something that ordinary primaries do not measure.

Perhaps, ideally, the race should begin in a more representative state, like Missouri. But for now, at least until someone like Gore or Mario Cuomo successfully rewrites the rules, Iowa's King Caucus happens to be first. And as long as its results are perceived to be important, they will be. —By Walter Shapiro, Reported by Laurence L. Barrett, Michael Duffy and Gavin Scott/Des Moines



Downtown Des Moines seems more like a suburban shopping mall than a major city

icipation and "workplace democracy."

Gephardt has long wooed Iowa union members and farmers with two pieces of special-interest legislation: a protectionist trade bill and an agricultural program that would raise crop prices. This give-them-what-they-want stance may make political sense, but it has also won Gephardt the enmity of editorial writers, including those at the Des Moines Register. In response, Gephardt lashed out at the "opinion centers, Wall Street and editorial boards" and exhorted Democrats not to "play the Establishment game on foreign trade." Campaigning as an "anti-Establishment" candidate is an odd turnabout for the Missouri Congressman, who built his reputation as a Washington insider. But in a flaccid field, it seems to be working.

Both Babbitt and Gephardt have to take daring gambles, since their under-

Nation

Oh, What A Screwy System

Is this any way to choose a candidate?

IOWA Lounging around on Cloud 1787, a few of the Founding Fathers are conducting a seminar on the handiwork of 201 years ago. "The thing I cannot understand," says Franklin, "is why they keep quarreling over this nomination business." Madison, ever the detail man, replies, "We told them how to elect the President, but we didn't suggest how to decide who the competing candidates would be." Adams, the Boston lawyer, raises points of order. "The Constitution didn't even use the terms candidate or parties or political convention. Now they talk about 'nominating windows,' 'front-loading' and 'super-delegates,' a language that seems designed to make the system as baffling to ordinary voters as the *Vulgate* was to illiterate peasants." Asks Patrick Henry: "Who dreamed up this scheme? Is it good for democracy?"

In fact, no one dreamed up the Rube Goldberg system that now determines the nominees in each party; it evolved on its own, guided only by the law of unintended consequences. And no, the complex and arcane system is not good for democracy; successive attempts at reform have created the illusion of popular selection, not the reality. Most of the electorate is excluded from participating until a handful of voters in unrepresentative states winnow the field by at least half. If a Third World nation had devised such a nominating system and imposed it on its people, Americans might logically conclude that it had decided to forsake democracy.

Though the power of back-room bosses has been broken, other factions and interest groups manipulate the rules for their own benefit. What should be a deliberative search for candidates of heft becomes a demeaning marathon. What should help unify the party becomes a divisive struggle. Talented leaders remain on the sidelines rather than confront the Kafkaesque process. Long before voters focus on the people and issues involved, the dynamics of the nominating cycle are established on the basis of "expectations"

LANDMARKS & LANDMINES



Jan. 29-30
Michigan
conventions

REPUBS: Bush and Robertson (in coalition with Kemp) have been battling through early rounds of this convoluted contraption. A Bush win would shake Robertson's momentum. A Bush loss would make him look vulnerable, and fear of Robertson could increase support for Dole (who is wisely sitting this out).

Feb. 8
Iowa caucuses

DEMOS: Dukakis, Babbitt, Simon, Hart and Gephardt: any not bunched near top are in trouble. Simon must finish first or close second; clear Dukakis victory would propel him toward home-turf N.H. with big momentum.

REPUBS: Bush-Dole showdown, with Robertson as wild card. Big Bush win would be near fatal to Dole; Bush could survive a respectable second but be sent reeling by running third.



TIME, Chart by Jon Jansen



Feb. 13-14
League of Women Voters N.H. debates

DEMOS: Even Iowa's losers may stay on for this show, paving the way for some last-ditch bomb throwing.

REPUBS: Iowa winner can expect heavy fire. Bush, especially, could face double-barreled barrage from Dole and Haig.



Feb. 23-March 5
Maine, Minn., S.D., Wyo., S.C. (R only)

DEMOS: Dukakis should win Maine. Simon and Dukakis investing heavily in Minn. Gore and Hart should do well in Wyo. and S.D.

REPUBS: S.C. key prelude to Super Tuesday. Bush has leadership wired, but open-voting rules allow Democrats to switch over, which could help Dole and Robertson.

Feb. 16
New Hampshire primary

DEMOS: Dukakis vs. Hart — neither can afford big loss. If anyone else finishes in top two, he

emerges strong. Gore hoping for surprise to show he's not merely regional candidate. Simon, Gephardt, Babbitt: those who run lower than third likely to be knocked out.

REPUBS: If either Bush or Dole wins both Iowa and N.H., he's almost home free. But if they split the two, the race could be long. Chance for Kemp or du Pont to be anointed the conservative alternative by finishing strong third.



and "momentum," with the press in charge of calibrating the standards. It is, in the words of Congressman Morris Udall, "one of the most unfortunate systems imaginable for electing the leader of the most powerful nation on earth."

Nonetheless, the intentions of those who created this monster were honorable. Since the beginning of this century, progressives have fought for primaries as the most representative way of choosing the delegates who would select the party's ticket. What evolved was a mixed system.

Candidates who needed to prove their electoral clout or show strength in a certain region could enter a few well-chosen primaries: those with established reputations generally would ignore them. The real decisions were made by back-room coalitions assembled at the convention. John Kennedy, for example, entered the West Virginia primary to prove he could win in an ardently Protestant state, then made his peace with the big-city bosses like Chicago's Richard Daley. Such an arrangement often froze out fresh faces and

MONEY

A credible campaign for Super Tuesday will require at least \$2 million, a full scale TV campaign \$5 million.



March 8

Super Tuesday

Ala., Ark., Fla., Ga., Hawaii (D), Idaho (D), Ky., La., Md., Mass., Miss., Mo., Nev. (D), N.C., Okla., R.I., Tenn., Texas, Va., Wash.

DEMOS: Gore must win big to justify candidacy. Major Dukakis-Gore showdowns in Texas and Florida, with Simon hoping for surprises it still around.

Jackson could win two or three states.

REPUBS: Bush big in quasi-native Texas. But could be surprised by Robertson or Dole in Florida. Conservative alternative — Kemp or Du Pont — must win couple of clear victories.



DELEGATES CHOSEN THUS FAR

Republicans 51%



Democrats 42%



DEMOCRAT DEADLOCK SCENARIO?

Murky results in Iowa, N.H. and the South, with Jackson and Hart taking some delegates, could make clear that nobody will win 50% in primaries. Brokering begins, murmurs of Mario heard on sidelines, and Bill Bradley's phone starts to ring. Major filing deadlines: California, March 11; New Jersey, April 14.

April 26

Pennsylvania primary

DEMOS: 75% of the delegates have been chosen

REPUBS: 73% of the delegates have been chosen

April 19-20

Super-delegate selection

Democratic House and Senate members choose their 253 super-delegates. Along with local and party officials, there will be 640 unpledged super-delegates, or 15% of those at Atlanta convention.



April 19

New York primary

DEMOS: Has Cuomo endorsed anyone? If things look close to deadlock, watch his maneuvers.

REPUBS: If Kemp is still making a run for it, he must win his home state, which will be hard.



June 7

California, New Jersey, Montana, New Mexico primaries

Last chance to settle either race before the conventions.



March 15

Illinois primary

DEMOS: If Simon still in, he should win. If not, and field has boiled down to two or three, winner here likely to win the nomination.

REPUBS: Should settle Dole-Bush contest. If that's already decided, this will be where Dole or Bush takes on the surviving right-wing challenger.



July 18

Democratic Convention in Atlanta



neglected dissenting minorities in the party. But it vetted candidates with a hard eye for their chances in the general election, and it imposed a rough kind of party unity behind the man lucky enough to make it to the White House.

Party discipline, waning in the mid-'60s, had its last hurrah at the 1968 Democratic Convention, where the barons forced the nomination of Hubert Humphrey. That provoked a spasm of reform that had stunning (and debilitating) success. The first in a series of party commis-

sions radically altered the rules in favor of "open democracy." Increasingly, delegates chosen by primary or caucus would be bound to actual candidates rather than to party leaders who might use them in brokerage. Though the movement was a Democratic invention, Republicans were also affected because many changes were imposed by Democratic legislatures.

Since no central authority had the power to establish a logical sequence of contests, a few enterprising state party officials were able to seize the initiative.

Iowa Democrats moved fastest, pushing their 1972 caucuses ahead of the New Hampshire primary. George McGovern, chairman of the first reform commission, understood the new dynamics well. The obscure Senator from neighboring South Dakota had both cultural affinity and the antiwar movement going for him in Iowa.

The press, looking for new gauges of political credibility, gave McGovern a publicity boost when he finished third in Iowa (behind Edmund Muskie and "uncommitted"). Muskie won in New Hamp-

shire as well, but McGovern, trailing by only 9 percentage points, again triumphed in the expectations game. He rode that wave to the nomination—and then to a resounding defeat as traditional Democratic voters, appalled that ultra-liberals had taken over the party, defected to Richard Nixon.

For 1976, Iowa Republicans took the Democrats' cue, moving their caucuses to the lead-off position, and the press began to make Iowa the First Great Test. While New Hampshire had been significant for decades, it and Iowa together suddenly became critical. From 1976 onward, candidates would have to lavish time on these two unrepresentative states, massaging less than 2% of the population, while the other 98% of the electorate awaited the outcome. Without victory in at least one of these two rounds and a good showing in the other, a candidate would flunk the momentum test, lose his ability to attract contributors and watch his press coverage disappear.

Iowa and New Hampshire leaders argue that their states allow lesser-known candidates to conduct low-cost "retail" campaigns for months, testing their wares and encountering thousands of voters face to face. True, but the demands of that kind of campaigning work against prospects who hold difficult jobs—New York Governor Mario Cuomo is the best current example—and pressure candidates to lavish attention on small, well-organized interest groups. In the actual caucuses, less than 15% of enrolled Iowa voters usually participate, and the reported results are sometimes misleading. Drake University Professor Hugh Winebrenner, in a new book on the caucuses, *The Iowa Precinct Caucuses: The Making of a Media Event* (Iowa State University Press; \$15.95), points out that even if his state were a microcosm of the country, the peculiar machinery fails to produce an accurate measure of Iowans' sentiments. "Essentially meaningless caucus outcomes," he argues, "are reported to satisfy the media's needs for 'hard data' about the progress of the race."

After Iowa and New Hampshire, the field narrows drastically, long before voters in larger states can cast a ballot. Most candidates must adopt an identical strategy: labor mightily for an early kill while preparing for an endurance run later. Schedule and rules, far more than issues and message, dominate.

And the process keeps changing. The Democratic leadership, aware for years that the post-1968 reforms were flawed, has continued to tinker. But despite a consensus that the calendar had to be made more rational, no one could control the

"nomination window" in either party. States resentful of Iowa's and New Hampshire's clout have moved up their contests to create "front-loading," a jumble of primaries and caucuses in the first month of action. Front-loading enhances the importance of doing well in the first two major competitions. Voters in the second and third rounds, having seen little of the candidates, have only a few weeks to review the field, weeks in which news is dominated by wins and losses rather than by who stands for what.

Michigan Republicans decided to stage the earliest selection process of any this year, beating out even Iowa. They returned to a kooky, multitiered convention system starting 27 months before the general election. As the regulars slept, con-

Hampshire more intently than ever, fearing that bad showings would cripple them before they could get to the South. And because blacks are so large a part of the Dixie Democratic vote, Jesse Jackson, the most liberal of the candidates, is likely to laugh last when the Democratic votes are counted on Super Tuesday, hardly the result the region's establishment had in mind.

Even before the first 1988 primary vote, there is talk about the need for further change. Surprisingly, some Iowans also sense a new turn of the wheel. Says George Wittgraf, director of the Bush Iowa campaign: "This is too much weight to be on the shoulders of one state. I don't think Iowa will ever again be as important as it is in 1988." There are signs of

candidates' trying new strategies: Albert Gore is holding back until the Super Tuesday races in the South; Cuomo is sitting on the sidelines and refusing to rule out a late entry should the whole nominating contraption freeze up.

Yet there is great fatalism about the prospects for sweeping reform. "After every election," says Republican Analyst John Sears, "we all stomp the ground and say how terrible it is. And by the time we do it again, we've made it worse." Sears should know; he was a member of the bipartisan Commission on National Elections, which two years ago produced a few modest proposals for dealing with the nominating system's worst features. Not one of those ideas has been put into effect.

While no one wants a return to boss rule, a large exertion of authority is necessary. That can come only from Congress, because no state or region will willingly cede influence. One scheme promoted by Michigan Congressman Sander Levin goes in the right direction. It would set six dates between March and June for a series of "interregional" primaries. On each date, a group of states of various sizes from different regions of the country would hold contests. The order would rotate.

Like every master plan, Levin's has drawbacks. It would make it more difficult for an unknown candidate to hustle his way to prominence in one small arena. But a sensible calendar imposed by Congress would compel candidates to take a national approach from the start and would reduce the clout of small, ideological factions. Does a plan like this have a chance of enactment? "It's on the back burner," Levin sighs, "and will remain there until the pots on the front burner explode." Given today's bubbling turmoil, 1988 may bring the system to that point of combustion.

—By Laurence L. Barrett



Kennedy and Daley in 1962:
a mixed system that vetted hopefuls

servative supporters of Pat Robertson and Jack Kemp took over the party apparatus. When George Bush's partisans woke up, a series of bruising lawsuits followed. After last week's debacle, the result may be a contested delegation. Says Field Reichardt, a moderate who helped draft the Michigan plan: "We should never have done this. In the short run, it's causing our party to self-destruct."

The biggest front-loading rebellion for 1988 occurred in the South, where Tory Democrats have suffered terminal frustration over the liberal influence of Iowa and New Hampshire. They conspired to construct Super Tuesday, March 8, when 14 Southern and Border states will choose a fourth of the Democratic (and nearly a third of the Republican) delegates. The intent was to diminish the impact of Iowa and New Hampshire, forcing candidates to court moderate voters elsewhere. Yet most candidates in both parties have wooed Iowa and New

With Minds of Their Own

Iowa voters like the Reagan era less than most Americans

IOWA Iowans of both parties who say they will participate in next month's caucuses are far more eager than voters nationwide to move the U.S. in a new direction. In a survey for TIME by Yankelovich Clancy Shulman,* 50% of Iowa Republicans say they would like the next President to "follow different policies" from the Reagan Administration's, compared with 39% who would stay on the same course. Nationally, Republican voters prefer the status quo over change by 58% to 32%. Iowa Democrats also display a marked contrast to voters nationwide: in Iowa, 93% favor a change from the Reagan era, against 77% nationally.

Sharp disparities also exist between Iowa and the rest of the U.S. on specific critical issues. In appraising economic conditions, Iowans are more down than voters elsewhere. In Iowa, 45% of Republicans judge the economy "fairly bad or very bad," vs. 38% of G.O.P. voters nationwide. Democrats are even more doubtful about the economy: 73% of the Iowans are downbeat, vs. 60% of Democrats at large. Most Iowans, like Americans generally, support increased federal spending on education, care for the elderly, cleanup of the environment and help for the homeless. Similarly, majorities in both parties say they are willing to pay higher taxes to finance bigger social programs. But despite their reputation for liberal views, Iowans are less likely to support big-budget programs. Among Democrats, for instance, 73% in Iowa favor larger Government subsidies for education; nationally, the figure is 81%.

Iowans are even less enthusiastic than voters elsewhere about federal assistance to farmers, despite the state's agricultural base. Some 55% of Republicans at large favor increased aid, vs. 48% in Iowa. Among Democrats, support for an increase drops from 72% nationwide to 58% in Iowa. The state's long, intimate experience with federal programs that fail

to solve the basic farm dilemma may account for the difference.

Iowans are far more dovish on defense and foreign policy. Asked if military appropriations should be increased, decreased or kept the same, Republicans nationally divide 30% for higher spending, 23% for less and 45% for no change. But in Iowa, only 19% of Republicans favor more defense, and 36% want less. Democrats nationwide split roughly by

DEMOCRATS

Who is your first choice for President?



	U.S.	Iowa
Hart	28%	29%
Jackson	17%	9%
Simon	13%	17%
Dukakis	11%	14%
Gore	7%	1%
Gephardt	4%	16%
Babbitt	3%	3%

Asked of 571 likely Democratic voters (sampling error is plus or minus 4%) and 497 likely caucus participants (sampling error is plus or minus 4.5%).

REPUBLICANS

Who is your first choice for President?



	U.S.	Iowa
Bush	49%	30%
Dole	24%	40%
Kemp	7%	6%
Robertson	5%	6%
Haig	4%	1%
du Pont	2%	6%

Asked of 424 likely Republican voters (sampling error is plus or minus 5%) and 394 likely caucus participants (sampling error is plus or minus 5%).

thirds on the same question; in Iowa, half the Democrats support a cut in Pentagon spending, and only 15% prefer an increase. Asked if they favor or oppose U.S. aid to the *contras* in Nicaragua, Republicans nationally support the program, 54% to 32%; Iowa Republicans divide narrowly against it, 42% to 40%. While Democrats in general oppose *contra* assistance by 2 to 1, the ratio in Iowa is 5 to 1.

Just as many of Republic's policies are unpopular in Iowa, overall approval of the President's performance also scrapes bottom in the state. That accounts, at least partly, for the poor standing of Vice President George Bush among voters likely to attend Iowa's G.O.P. caucuses. The clear front runner nationally among Republican voters,

Bush trails Bob Dole by 10 points in Iowa.

The Reagan connection, however, can have other ripples. Among Republican voters across the nation, Bush wins support from 49%, an increase of 9 points since TIME's December poll, while Dole rises 4 points, to 24%. Bush appears to have benefited from the Reagan-Gorbachev summit and the arms-control treaty. Dole quickly dropped his oft-stated qualms about the nuclear accord, at least partly because of pressure from his Iowa supporters.

Polls for months have indicated that Bush and Dole have the Republican race to themselves, but the TIME survey shows that voter sentiment is hardly set in concrete. When asked if they felt certain that they would stick with their present first choice, just 29% of Republican voters nationwide said yes. Among Iowans, the figure was 34%. With two-thirds of Iowa Republicans harboring some doubt, the campaign's final three weeks should be as suspenseful as usual.

The Democratic contest is more volatile, and not merely because 69% nationally feel they might change choices. Gary Hart's lead is too puny to make him a strong front runner, given his liabilities. Both nationally and in Iowa, 40% of Democratic voters say they have a "generally unfavorable" impression of Hart. A negative rating that high is crippling. Jesse Jackson, who also has large negatives (41% nationally, 37% in Iowa), found that out last month when Hart's return to the contest dumped him from first place. In this fast-forward atmosphere, Paul Simon is prospering, at least for the moment, while Michael Dukakis is losing traction. Nationally, Simon rose from fourth place in December (7%) to third place this month (13%), changing places with Dukakis (from 14% down to 11%).

Those changes are marginal, but in Iowa, Simon seems now to have a chance to move ahead, among Democrats who say they will attend caucuses, he is second. However, when the sample is narrowed further to 213 Democrats who have attended a caucus in the past, Simon rises to the top. He is the favorite of 26% in this group, with Hart second (18%), Dukakis third (17%) and Richard Gephardt fourth (14%). So the Democrats, even more than the Republicans, will be puzzling the question of which partisans in this independent-minded state might actually turn out on caucus night to start their favorite on the road to the White House. —By Laurence L. Burgett

*Taken by telephone Jan. 3-7. Nationwide, 1,804 adults were interviewed, including 571 likely Democratic voters and 424 likely Republican voters. A separate Iowa survey of 1,783 adults included 497 likely Democratic caucus participants and 394 likely Republican attendees. All findings were based on likely voters and likely caucus participants. Potential sampling errors are shown in charts.

Nation



A forest of new construction grows in front of hillside town houses and condominiums in San Diego

Not in My Neighborhood

California leads a grass-roots movement to slow development

John Morris will never forget the day four years ago when two bulldozers arrived in his tranquil West Los Angeles neighborhood. The 38-year-old accountant was already harboring doubts about life in the city. It takes him an hour to drive a mere 15 miles to work on the packed freeways, and he no longer wears contact lenses because the smog stings his eyes. Fear of toxic chemicals keeps him from setting foot in nearby Santa Monica Bay.

But when the corner gas station was leveled and replaced by an ugly mini-mall, Morris revolted. "My life has become an endurance test," he moans. He is now a zealous activist in the biggest grass-roots political movement to hit California since the property tax revolt a decade ago. A new battle cry—Slow Growth—is erupting from once placid neighborhoods plagued with congested streets and schools. Fed up with sprawling condos, office towers and mini-shopping centers plunked down among single-family houses, residents are demanding limits on unbridled real estate development. The state may never be the same.

Last June voters in Los Angeles ousted City Council President Pat Rus-

sell, a staunch ally of Mayor Tom Bradley and developers, replacing her with an unknown who promised to slam the brakes on overbuilding. Bradley has now modified his pro-growth policies to protect his chances for re-election in 1989.

In San Francisco, where densely packed office towers have overshadowed the city's natural skyline, voters in November rejected a proposal to build a baseball stadium downtown. In last month's mayoral runoff election, they spoke even more forcefully by overwhelmingly rejecting Establishment Candidate John Molinari in favor of onetime Neighborhood Activist Art Agnos. Meanwhile, San Francisco, Los Angeles and San Diego, along with dozens of other California cities, have passed the most severe growth restrictions in the state's history.

While the most dramatic slow-growth rebellions have occurred in California, similar if less intense movements are emerging across the country. Vermont Governor Madeleine Kunin last week called on the legislature to enact a statewide growth-management plan to provide Vermont with "greater control over our destiny." In New Jersey a statewide commission has been appointed to draft a

similar plan by 1989. Last fall three pro-growth members of the board of supervisors of Fairfax County, Va., a Washington suburb, were ousted by proponents of slow growth.

A backlash against development was probably inevitable, particularly in rapidly developing Western states, where many residents consider densely packed urban centers uninhabitable. Says Gerald Silver, president of the Homeowners of Encino, Calif.: "We were in favor of progress until we found out what it looks like." This urban claustrophobia is largely a bipartisan phenomenon. In conservative Orange County, Calif., Republicans have joined with liberal Democrats on a ballot initiative to require developers to pay for the impact their projects have on city streets and services. Says Thomas Rogers, a co-sponsor of the measure and a self-described right-winger: "I've got a right to peaceful enjoyment of my property."

That "right" has been jeopardized by California's surging population. Greater Los Angeles, with 8 million residents, is expected to surpass the New York City area as the nation's most populous metropolis in the 1990s. Neighboring Orange County is projected to swell 39% in the

next 20 years, to 3 million people, while average rush-hour freeway speeds plunge from 36 m.p.h. to an unbearable 10 m.p.h. In once sleepy San Diego County the population has more than doubled since 1960, to 2.2 million. Says Maureen O'Connor, the Democratic mayor of conservative San Diego and an advocate of growth control: "Development is a negative word in this community."

Frustrated by unsympathetic city governments, residents are gathering signatures and forcing initiatives onto local ballots, overwhelming the resistance of politicians and the developers who finance their campaigns. Of 17 slow-growth measures on California ballots last November, 15 passed. "There is a rage out there," admits Sanford Goodkin, a real estate consultant in San Diego. "Developers are scared to death."

In Los Angeles slow-growthers gathered enough signatures to force Proposition U onto the ballot in 1986. Approved by two-thirds of the voters, the measure halves the size of new buildings on much of the city's commercially zoned property. In San Francisco voters approved an initiative that reduced the annual limit on new office space by half. In San Diego, where the once inviting hillsides are being covered by endless rows of identical-looking houses, municipal services are

swamped by surging demand. Last August the city council set a temporary limit on new housing at 8,000 units a year.

In part, California's slow-growth movement is a product of the state's most celebrated previous initiative, Proposition 13, which passed in 1978, severely restricts property taxes. Unable to stick local taxpayers with the rising cost of services, cities have been forced to cut back on improvements, despite tremendous growth. Now, as the strain on roads, schools and water supplies becomes unbearable, local governments are forcing developers to pick up the tab with heavy "impact fees." In San Francisco commercial developers must put aside money for low-income housing, parks, transportation, child care and even public art.

Although a forced slowdown of new building reduces the demand for costly expansion of city services, it inflates the cost of construction, real estate and rents. Says Karla Rainer, 31, a renter in San Diego: "These growth controls will probably kill my dream of owning a home. They've just turned this whole town into a seller's market."

Many neighborhoods see no alternative, particularly bedroom communities that once provided a tranquil escape from urban congestion but now resemble mini-

cities themselves. In the past decade, suburbs have been swamped by an influx of jobs and development: about 60% of all office-space construction now takes place in the suburbs. Tired of fleeing growth, many residents are deciding to fight.

To critics, this amounts to little more than a thinly veiled effort by affluent and largely white neighborhoods to exclude strangers while boosting the value of their homes. Observes San Diego's Sanford Goodkin: "A stranger is defined as anyone who bought a house the day after I did." He and others claim that the effect of growth controls will be most severe on the poor, cutting jobs and investment in their neighborhoods. But developers have never been eager to build in poorer areas, and many of those neighborhoods are equally concerned about congestion. In Los Angeles, Proposition U passed by large margins in all 15 council districts, including Watts and other low-income communities.

For now, developers are on the defensive, turning to the courts for relief and hoping that rising unemployment and real estate prices will eventually bring voters to their way of thinking. They could be in for a long wait. Says Kenneth Bley, a real estate lawyer in Los Angeles: "There are simply more voters than developers." Only now are enough of those angry voters making their numbers felt.

—By Jon D. Hall/Los Angeles

Florida's Growing Pains

Charles and Dianne Jones moved to Jacksonville last September to escape Houston's depressed economy and stretch their dollar a little further in a state known for its low taxes. What they found along with the Florida sunshine were inadequate schools, clogged roads and poor social services. "We have a 16-year-old daughter who comes home from school with a different problem every day," says Mrs. Jones. "She can't get this; the school doesn't provide that. You get three cars on the road, and you have a traffic jam."

Signs of decay are everywhere in Florida. The state's waterways are polluted, and its public health system is woeful.

The prisons teem with criminals who are often released before their original sentences expire to make room for others. More than 300,000 newcomers arrive annually, straining a system already near the breakpoint. The state department of education estimates that it must absorb 800,000 new students and build 933 new schools during the next decade just to keep pace with growth.

Rookie Republican Governor Bob Martinez hoped to finance the future with a 5% tax on the services industry, Florida's largest and fastest-growing sector of the economy. The tax, which became law last July, affected services from pet grooming to lawyers' fees. It was expected to produce \$800 million in the first year and provide a solution to the state's need for money.

But in September, Martinez called for a repeal of the tax amid a blizzard of criticism from advertisers, real estate agents and citizen groups who complained about

inequities and red tape. Last month the legislature replaced the services tax with a penny increase in the state sales tax. Critics contend that the new 6% duty will raise no more than half of the estimated \$52.9 billion that Florida will require for roads, schools, prisons and hospitals in ten years.

The search for new money won't be easy. The state constitution bans a personal income tax, and other revenue raisers are equally unpalatable. "The people of Florida have not yet grasped the enormity of our financial problems," says Sam Bell, chairman of the Florida house appropriations committee. "We're not even talking about improvements here. We're just trying to keep from going under."

At first, says Joe Serio, former Florida director of the American Association of Retired Persons, retirees often oppose fiscal measures needed to deal with Florida's problems. "But," he adds, "after a while they notice the long lines of autos wherever they go and the difference in the quality of the libraries from where they came from."

Many Floridians seem willing to pay for better services, but they share a widespread suspicion that the government is not sufficiently frugal. In a recent study by Florida TaxWatch, a nonprofit taxpayers group based in Tallahassee, the average respondent believed the government wastes a third of every dollar it spends. Says Reed Gidez, 28, who moved to Tampa from New Jersey a year ago: "I would be willing to pay more taxes if state leaders could convince me that they were actually going to do something with the money." For the leaders of the fourth largest state in the nation, that will remain a challenge for years to come.

—By Cristina Garcia/Tallahassee



Clogged roads in Palm Beach County

Murky Waters for the Supersub

The heralded Seawolf may be too slow and too costly

Measuring 353 ft. from stem to stern and a potbellied 40 ft. across at the waist, the U.S. Navy's proposed SSN-21 *Seawolf*-class nuclear attack submarine looks more like a whale with a weight problem than a swift and silent undersea marauder. Yet when the first of a projected 30 *Seawolfs* sets to sea in 1995, her proponents hope she will live up to her name by proving to be a deadly hunter-killer beneath the waves. "The *Seawolf*," says the Navy's top submariner, Vice Admiral Bruce DeMars, "will be the supersub of the 21st century."

But at more than \$1.8 billion apiece, the *Seawolfs* may turn out to be the superduds of undersea warfare. Last week widely respected Congressional Staff Aide Anthony Battista declared that the *Seawolf* could not compete with faster, quieter Soviet subs and that the Navy should scrap it. Reaction to this broadside was swift. "We continue to have, by far, the finest submarines in the world," retorted Navy Secretary James Webb.

The Navy has good reason to be sensitive to charges that Soviet submarine technology has grabbed the lead. As naval exercises repeatedly demonstrate, a battle for control of the seas would largely be fought underwater. The U.S. Navy wants the *Seawolf* to track and destroy Soviet missile submarines before they can launch their deadly cargoes, and to neutralize Soviet attack subs before they can sink the U.S.'s vital missile-launching Trident fleet.

Capable of cruising more than 1,000 ft. below the ocean surface at speeds up to 35 knots, the *Seawolf* will carry an arsenal

of sophisticated acoustical homing torpedoes that can track and attack submarines and surface ships. From almost 100 ft. down, a mix of nuclear-tipped or conventional missiles and mines will be launched through eight large-bore torpedo tubes.

The *Seawolf's* high-tensile steel hull will withstand pressures of 100,000 lbs. per sq. in., permitting the sub to dive to depths between layers of water at different temperatures where it can hide from enemy sonar. When it comes time to surface, not even the polar ice cap will be able to keep the *Seawolf* down. The low, streamlined sail—conning tower to landlubbers—will be hardened to absorb the shock of breaking through the ice. Retractable bow planes will permit the *Seawolf* to navigate under the Arctic, the huge (5.4 million sq. mi.) new battleground of underwater war. The multi-blade, controllable-pitch screw propeller will be encased in a meticulously designed shroud to reduce noise and allow the boat to sneak up on its prey.

Yet, for all this hoped-for capability, many top defense experts wonder if the *Seawolf* truly is the right sub at the right cost at the right time. In the past, the Navy has relied on vastly superior technology to nullify the Soviets' 3-to-1 numerical advantage in submarines. But rather suddenly, the U.S. lead in submarine technology has seriously eroded. Says

Admiral Carlisle Trost, Chief of Naval Operations: "The Soviets are where we thought they'd be in the mid-1990s."

Last year retired British Navy Captain John Moore, editor of *Jane's Fighting Ships*, declared that the Soviets had taken a dramatic lead in submarine design since the foremost U.S. attack-submarine class, the *Los Angeles*, was commissioned in 1976. "The Soviet navy has introduced four classes of nuclear attack submarines, all with higher speeds than the *Los Angeles*," said Moore, adding that Soviet subs could dive deeper and had more efficient nuclear reactors.

The Soviet improvements are particularly unsettling because they have been

made in the most critical life-and-death factor in undersea warfare: noise reduction. Until recently, U.S. submariners joked about the clanging and clanking of Soviet subs, at times picked up quite literally all the way across the Atlantic. In October 1986, however, confidence in the Navy's ability to detect Soviet subs was shaken when the attack submarine U.S.S. *Augusta*, cruising underwater off Gibraltar, collided with a Soviet

et submarine it had not heard.

The dramatic turn in Soviet noise reduction has fueled the debate over whether the *Seawolf* can perform its assigned task. Even with redesigned specifications, the sub cannot dive as deep or sprint as fast as the newest Soviet models. Its computer brain, which with ancillary equipment weighs 32 tons and includes millions of lines of software programming, is still unproved and years behind schedule. Moreover, critics say the *Seawolf*, costing nearly three times as much as the *Los Angeles*-class subs, are simply too pricey. "*Seawolf* is so expensive it will cut our procurement in half at a time when we need more, not fewer, advanced submarines," says Naval Analyst Norman Polmar.

Instead of sinking billions into the *Seawolf*, some submarine experts suggest prolonging the active life of the *Los Angeles* subs. But the Navy argues it has literally run out of space for technological improvements in the older model. So tight is space that when the *Louisville* was commissioned in 1986, crew members were hard pressed to find a place to display a souvenir basketball autographed by members of the namesake Louisville national collegiate basketball champions.

With alternatives limited, most military experts are resigned to proceeding with *Seawolf*. "*Seawolf* will be built," says Ronald O'Rourke, a naval analyst at the Congressional Research Service. "But America has got to design a new attack-submarine class, and soon." Congress seems to agree: in approving \$467.6 million for *Seawolf* construction this fiscal year, the legislators also set aside \$100 million to begin research on a better sub. —By Bruce van Voorst/Washington



Navy Secretary Webb



An artist's rendering of the Navy's SSN-21 attack submarine of the future. Experts wonder if it is the right sub at the right cost at the right time.

American Notes



WASHINGTON **Dapper Nofziger**



YOUTH, PART 1 Teaching is attractive, money more so



RACE The Greek is gone

YOUTH, PART 1

Siren Call of The Classroom

Reports that greed is dead are greatly exaggerated, according to a nationwide survey of college freshmen. Seventy-six percent of 210,000 students declared that being financially well off is an "essential" or "very important goal" in their lives. Just 39% placed a premium on creating a "meaningful philosophy of life." That was the lowest proportion in the 22-year history of the annual survey, sponsored by the American Council on Education and the Higher Education Research Institute at UCLA.

Yet 8% of the students said they intend to become teachers—the highest number since 1982. "Teaching careers have regained attractiveness because of all the attention focused on education," explains the study's director, Alexander Astin.

WASHINGTON

Dressing For Success

Sporting a cowboy hat and his trademark Mickey Mouse tie, Ronald Reagan's onetime political guru Lyn Nofziger strode into federal district court last week to become the first person to stand trial for violating the 1978 Ethics in Gov-

ernment Act. Nofziger, who resigned as a White House aide in January 1982, is accused of illegally lobbying the Administration on behalf of three clients, including the scandal-plagued Wedtech Corp.

Although he faces a possible two-year sentence and \$10,000 fine on each of four charges, he betrayed little concern. "I am innocent of anything," Nofziger declared, "and so I assume that a jury, being a typical fair American jury, will find that to be the case."

JUDICIARY

Bork: I'm No Bench Warmer

For Robert Bork, the battle may be over, but the war goes on. The White House announced that President Reagan's controversial Supreme Court nominee would step down from the D.C. Circuit Court of Appeals. In his resignation letter, Bork stated that he wants the time and freedom to rebut charges of right-wing zealotry that liberal lobbying groups fired at him last year during his unsuccessful Senate confirmation fight. "This was a public campaign of miseducation," wrote Bork. "to which, as a sitting federal judge, I felt I could not publicly respond."

Had it not been for the Supreme Court nomination, Bork might have left the bench earlier. He had not hired law clerks

for the coming term, and he was obviously restless. "I don't think he finds judging all that interesting," says his D.C. circuit colleague Abner Mikva. Why, then, did Bork hang on so long after his defeat? Says Heritage Foundation Legal Expert Bruce Fein: "He didn't want this to look like the peevish decision of an upset boy."

YOUTH, PART 2

Less Coke, but Still Drinking

The message about the dangers of illegal-drug abuse seems to be getting through, at least to some teenagers. Cocaine use is down among high school students, according to a survey of some 16,000 seniors by the National Institute on Drug Abuse. There was a drop from 6.2% to 4.3% in the proportion who said they had used cocaine in the previous month, and the percentage who have tried cocaine in the past year went down, 12.7% to 10.3%. Marijuana and hashish smoking also declined, continuing a nine-year downward trend. Yet 57% of seniors admitted having tried illicit drugs.

Students have not curtailed their use of more accessible drugs. A majority of youngsters (66%) said they had drunk alcohol within the previous month. Acknowledges Dr. Donald Ian Macdonald, head of the Alcohol, Drug Abuse and Mental Health Ad-

ministration: "We have a major problem with adolescent drinking."

RACE

Talking Himself Out of a Job

CBS Sports Commentator and Oddsmaker Jimmy ("the Greek") Snyder, 70, who makes his living in front of television cameras, likes to talk. Last week he should have refrained. In a Washington restaurant, when a television interviewer asked for a Martin Luther King holiday report on black progress, the gravel-voiced Snyder gushed. "The black [athletic] talent is beautiful." Then he elaborated: "The black is a better athlete to begin with because he's been bred to be that way... because of his high thighs and big thighs that goes up into his back." He went on: "This goes back all the way to the Civil War, when... the slave owner would breed his big black to his big woman so that he could have a big black kid." In sports, the Greek declared, "there isn't much left for the white guys anymore."

After local viewers telephoned their anger, Snyder offered "full, heartfelt apologies." CBS first condemned his remarks as "reprehensible" and then, on Saturday, announced it was ending its twelve-year relationship with the Greek.



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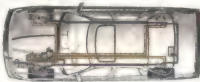
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World



MIDDLE EAST

In the Eye Of a Revolt

A besieged Israel tries to damp the flames, but Palestinian rage blazes out of control

The day was Friday, the time shortly after noon. Prayer services had just ended at the al-Aqsa mosque on Jerusalem's Temple Mount, one of the holiest sites for both Islam and Judaism. As several hundred young men streamed out of the mosque, the shouts began. "There is no God but Allah!" "Allah is great!" The banned red-black-and-green Palestinian flag was raised, and Israeli and American banners burned. A thousand Israeli police, stationed there in case trouble broke out, began firing tear gas to disperse the crowd. But they were driven back by a shower of rocks and broken concrete.

For the next two hours police chased the agile, cursing demonstrators around the 30-acre Temple Mount and through the narrow, winding streets of Jerusalem's Old City. Protesters, tourists and the police themselves choked on the cloud of tear gas that enshrouded the golden Dome of the Rock, the ciborium that stands on the site from which the Prophet Muhammad is said to have ascended to heaven on a white horse. At one point, after a police officer was beaten, his comrades chased a group of demonstrators into al-Aqsa mosque itself, normally off limits to any military personnel. The fearsome scene seemed to encapsulate all the hatred of the Arab-Israeli conflict: Muslim and Jew literally battling for control of the most revered territory in the Holy Land.

Something tragic is happening in Israel and its occupied territories. For five weeks mayhem and bloodshed have engulfed the land, particularly the Gaza Strip and the towns of the West Bank, as the Palestinians who have lived in a wary truce with their Israeli rulers for two decades have let the world know that enough is enough. Each day last week brought another killing or two, raising the death toll since early December to at least 36. The Israelis seemed bewildered by the chaos, uncertain what to do next as they came to realize that they were fighting not just a few troublemakers but an entire population, whose ire was being fanned by mili-

tant Islamic fundamentalism. "We are dealing with a new phenomenon that we are only beginning to recognize," said a senior official. Added Israeli Foreign Minister Shimon Peres: "It is one national will against another national will."

As the streets of the Gaza Strip seethed and a general strike paralyzed commerce throughout the territories, the Israeli government sent in more troops, arrested more Palestinians, and cracked down on the violence harder than ever. "We must get a political solution by political means and not as a result of terror," said Defense Minister Yitzhak Rabin, who is in charge of the occupied territories. "Arab terror will be confronted by the power of the Israel Defense Forces."

Though Rabin for the first time acknowledged the spontaneous nature of the uprising, he and other officials still hoped to quell the rioting by acting against what officials insist are the "ringleaders" of the violence. Four such men were loaded aboard an Israeli helicopter last week and flown to a mountain road near the town of Hasbeya, in southern Lebanon. There they were handed \$50 each and told not to return to their homes. To help the exiles on their way, the soldiers flagged down two Mercedes taxis and paid the drivers to take them away.

The four were among nine ordered expelled two weeks ago. At first they appealed the deportation orders, but they dropped their cases after their lawyers were not permitted to see evidence against them. The quartet was whisked out of the country within 24 hours, with no notification to their families, and was last reported to be in Syrian hands in Lebanon's Bekaa Valley. The other five, including three fundamentalist leaders, are continuing to appeal.

The United Nations Security Council reacted to the deportations by passing yet

Swathed in the colors of their lost homeland, the "children of the stones" go into battle; at right, a confrontation at Am'ari camp



another resolution denouncing Israel's tactics. The U.S., which supported a resolution two weeks ago urging Israel not to go through with the expulsions, abstained from the 14-0 vote. U.N. officials were also indignant at the sour reception Under Secretary-General Marrack Goulding received last week in Jerusalem. Goulding, a Briton assigned by the U.N. to investigate conditions in refugee camps, was snubbed by most Israeli officials, then denied access to two camps he tried to visit. When he finally made his way into the Gaza camp at Rafah, demonstrators threw stones at his army escort, and he was accused by Israeli military authorities of provoking a riot.

Even Yasser Arafat, chairman of the Palestine Liberation Organization, was caught off guard by the fury of the people he calls his own. Arafat tried to get back into the game last week by renewing his call for an international peace conference. Speaking from his office in Baghdad, Ara-

fat declared that he would be willing to accept all U.N. resolutions, including Resolution 242, which recognizes Israel's right to exist, in exchange for P.L.O. participation in the peace conference.

But there was little thought of peace in the boiling Gaza Strip, where more than 600,000 Arabs live in an area 30 miles long and five miles wide. Every day last week fires from burning barricades flamed into the night, enveloping the squalid refugee camps in black smoke. The thunk-thunk of helicopters sounded overhead as soldiers tipped tear-gas canisters onto rioters below. The twisting alleyways echoed with the rattle of gunfire, the crackle of smashing fire bombs and the thud of stones.

Gaza's main shopping street, Omar al-Muktar, was streaked with soot from burned tires, soaked with water from broken mains, and strewn with stones, chunks of concrete, pieces of metal and smoldering rubber. Barricades stood ev-

erywhere, built of tree branches, junked cars, overturned garbage dumpsters and rusting oil barrels. As fast as Israeli troops forced passing pedestrians to dismantle them, they were rebuilt by the roving *shabab*—the young men who are the main force behind the uprising.

Finally, the military resorted to its most drastic measures yet. Entrances to the eight camps where most of the residents live were closed and the people were confined to their houses. The curfew was lifted once a day to allow the purchase of food. "We have to beat them in their pockets," said a military official. "They will not be able to carry on for long without the money they earn working either here in Gaza or in Israel." Prime Minister Yitzhak Shamir suggested that if the Gazans continued to riot, they might never be allowed to return to their jobs in Israel.

Despite the repression, morale in Gaza remains high. In one crowded home in the huge Jabalia camp, Zainab, a wid-



ow of 50, and her five children said they were determined to keep up the protest despite the Israeli crackdown. Her son Jawad, 17, has already served several jail terms for his anti-Israeli activities, and is willing to risk more. "Let it be known to the Israelis that we are strong," Jawad told a visitor. "We are capable of confronting them on all fields. We are not going to run away as the Egyptian army did in 1967." Asked what his goals were, Jawad replied, "Very simple. I want to turn the Palestinian problem into a severe headache in every Israeli head."

In the West Bank there was less turmoil but no less resolve to defy Israeli authority. At the central square in Am'ari, a refugee camp on the road between Jerusalem and Ramallah, the *shabab* gathered, young men ranging in age from 15 to 30. The camp, which houses 5,000 people, is a concrete maze with open sewers running down each alleyway. "No matter what time the army comes, we come out and start confronting them," said Osama Nimjim, 23. It has become a way of life, the only way of life in recent weeks, when work has been scarce because of strikes, and soldiers are everywhere.

At Osama's house several twists and turns away from the square, his mother, father and sisters crowded into the living room, and tea was served. The room was a chilly concrete square furnished with plush red sofas and a cabinet full of china figurines. Osama unwound a red-and-white-checked kaffiyeh from his head as he began talking. He was fresh out of jail, having served 14 days for throwing a tear-gas canister back at Israeli soldiers. "The army is the provocation," he said. "The fact that they come into our camp is enough so that the *shabab* react by throwing stones." Osama admitted to being a provocateur. "Since he was a kid, he has belonged to the profession of stone thrower," said his friend Tarek Ali, 18, with some reverence.

The sound of a helicopter overhead drowned out conversation and seemed to please Osama. "They prove that we Palestinians are capable of confronting them, that we are strong enough so they have to bring in helicopters against our stone throwers." Though he said he had been harassed most of his life by the Israelis, he insisted he did not hate them. "But we are committed to achieve a homeland for the Palestinians with our own flag, just like you live in America with your own flag."

Suddenly a tear-gas canister struck the window, and peppery fumes wafted in. The women wrapped scarves around their faces, the men their kaffiyehs. Soon came the sound of rubber bullets ricocheting off the walls outside, then the shuffle of feet running for cover. "I have no future," said Tarek Ali matter of factly. "How can I, as long as I am not liberated from this occupation?"

Osama told of the folk remedies used to ward off Israel's punitive measures: onions for the eyes, lemons for the stomach to counter the effect of tear gas. There is no remedy for the rubber bullets, which



Holy ground: troops and tear gas surround Jerusalem's sacred Dome of the Rock

burn the skin and sometimes break bones. The day before, Osama noted, soldiers threw rocks at the *shabab* from their helicopters. When it gets too rough, he said, "we run away for a while, then get together again to wait for the next time."

The war of nerves in Am'ari, Jabalia and the other camps and towns of the West Bank and Gaza has been going on since 1967, when Israel seized control of the territories after winning the Six-Day War. During the late 1960s and early 1970s, Israeli troops waged a ferocious struggle with the P.L.O., whose Kalashnikov-toting fighters killed scores of soldiers and civilians in the occupied territories. The Israelis eventually wiped out the P.L.O. threat in the West Bank and Gaza, helped in large part by King Hussein's successful 1970 campaign to drive the P.L.O. forces out of Jordan.

Since the mid-1970s the Israeli military, which runs the territories with a combination of soldiers and civilian administrators, has kept rebellion in check with a relentlessly efficient system of control and surveillance. It is a tribute to Israeli security, or to the self-restraint of the Palestinians, that not a single gun has turned up in Palestinian hands during the current unrest. But Jerusalem's peace of mind over the years has come only at the expense of basic civil liberties.

Palestinians in the occupied territories are almost completely disenfranchised. All mayors are now Israeli appointed. Israel tried twice, in 1972 and 1976, to sponsor municipal elections in the West Bank and establish a measure of self-rule. But the Palestinians undermined the process by electing candidates who openly declared their allegiance to

the banned P.L.O. In 1976 the P.L.O. won a smashing victory, electing its representatives as mayors of all the major towns and villages. The Israeli response was to declare some of the contests invalid and to deport some of the winners. There has been no balloting since then.

Today most political activity in the territories is banned, and membership in political organizations is severely restricted. This has helped spawn underground nationalist and religious movements that favor radical solutions. Paralleling the clampdown on political thought is a policy of strict, often arbitrary censorship of all newspapers, magazines and books that circulate in the territories. Last week Israel launched its latest crackdown on the Palestinian press. It detained six journalists, held two for interrogation and ordered one jailed for up to six months.

Israeli soldiers and border police can enter Arab homes without a warrant. Palestinians are routinely stopped and required to show identification papers. Arabs can be detained for up to six months without trial. Their houses can be sealed or demolished on suspicion that a member of the family is engaged in "terrorist" activity. They can be arrested for dozens of offenses that do not exist in Israel, including flying the Palestinian flag, reading "subversive" literature or holding a press conference without permission.

Restrictions on civil liberties grate hard against the Palestinians' self-esteem. But life under Israeli rule has had its compensations. Israel has made major improvements in living standards within the territories—particularly in Gaza, which in 1967 was one of the most underdeveloped swatches of land in the world. Today half of Gaza's residents have running water, compared



Victory sign: despite the crackdown, morale remains high among the protesters

with 14% two decades ago. Nearly 80% own refrigerators and television sets, up from 3%. In the West Bank more than four-fifths of the homes have electricity, in contrast to one-quarter 20 years ago. Per capita income rose in the West Bank from \$300 in 1968 to \$1,400 today, and in Gaza from \$100 to about \$1,000. Though the territories' health-care system is still inferior to that of Israel, an Israeli-sponsored overhaul has

helped raise life expectancy from 48 to 62 years.

About 50,000 Gazans and 50,000 West Bank Arabs travel daily to jobs in Israel, where wages are higher but still no more than half what Israeli workers earn. Arabs from the territories dominate the unskilled-labor market, especially in the construction industry. Arabs collect Israel's garbage and clean its streets, wait on tables in its finest restaurants and keep its

factories and mills running. For Israel, holding on to the territories makes sense economically. Jerusalem contributed \$240 million in aid and investment to Gaza and the West Bank in 1987 and took back \$393 million in taxes.

The territories' economic dependence on Israel has only increased political resentment, especially in Gaza, where almost 70% of the inhabitants have been living in refugee camps for 40 years. Some of the youngsters in these camps work in Israel for subsistence wages; others are unemployed or underemployed. The more prosperous West Bank is more economically independent. For example, it carries on a thriving agricultural trade with Jordan, of which West Bank residents remain citizens. Only 15% of the 800,000 West Bank denizens are refugees, and even fewer live in refugee camps.

While violence between the occupied and the occupiers stayed at a relatively low level in recent years, hardly a week went by in which an Israeli or Palestinian was not killed or injured in communal clashes. According to the West Bank Data Project, which studies economic and political trends in the territories, the number of demonstrations averaged about 500 a year between 1977 and 1982, when Israel invaded Lebanon. Since then, the number of protests has ranged from 3,000 a year to 4,400. In terms of Arab unhappiness, says Meron Benvenisti, an outspoken Israeli liberal who runs the project, "I don't see a change from a year ago. We just forget."

One might have expected an explosion of youthful anger by glancing at the occupied territories' demographic development. Out of a population of 1.4 million, more than half are 20 years old or

Is There a Solution?

During a visit to Jerusalem last fall, U.S. Secretary of State George Shultz floated a bold plan. At their upcoming summit, Ronald Reagan and Mikhail Gorbachev would call for direct negotiations between Israel and Jordan to settle the Palestinian issue. Israeli Prime Minister Yitzhak Shamir and Jordanian King Hussein would then jet to Washington, where the dramatic spectacle of the four statesmen bargaining together would breathe new life into the comatose peace process. Shamir agreed to consider the scenario, but Hussein rejected the idea as too risky.

Shultz's proposal thus joined the scrap heap of initiatives to resolve that intractable dilemma: how to give the Palestinians a homeland without impinging Israel's existence. Many Israelis believe only permanent rule over the West Bank and Gaza Strip will ensure their security, while the Palestinians demand an independent state that includes total Israeli withdrawal from the occupied territories.

Compromise certainly seemed possible in 1978, when Anwar Sadat, Menachem Begin and Jimmy Carter signed the Camp David accords. The agreement envisioned a five-year transitional period of Palestinian self-government while new negotiations began on the final status of the West Bank and Gaza Strip. The autonomy plan collapsed after Israel annexed the Arab section of Jerusalem.

Reagan's 1982 Middle East peace plan sought a self-gov-

erning Palestinian entity, linked to Jordan, in the West Bank and Gaza Strip. This appealed to Hussein and Yasser Arafat, chairman of the Palestine Liberation Organization, who viewed the Reagan proposal as a way of putting U.S. pressure on Israel to withdraw. But the discussions between the two Arab leaders fizzled when Arafat refused either to recognize Israel formally or to permit Hussein to negotiate for the Palestinians.

With Reagan's plan moribund, the Palestinians and some Israelis began to favor an international conference as the vehicle for negotiations. But the two sides disagreed sharply over the makeup and aims of the conference. Arafat wanted U.N. talks with broad Arab participation that would fulfill Palestinian hopes for an independent homeland. Israeli Foreign Minister Shimon Peres advocated an umbrella conference excluding the P.L.O. that would permit Israel and Jordan to reach a bilateral compromise over the occupied lands. But Hussein is wary of a separate peace with Israel at the expense of the P.L.O.

A survey last month by Modi'in Ezrahi, a polling organization, showed that 32% of Israelis were prepared to yield parts of the West Bank. But 44% refused to give up any land. The current violence might eventually force the Israelis and Palestinians to seek a political solution, but history has not been on the side of reason. "Arabs and Jews might possibly learn to live and work together in Palestine if they would make a genuine effort to reconcile," concluded a Royal Commission headed by Lord Peel in 1937, during the British Mandate period. "But this they cannot do."

World

under and have lived their entire lives under occupation. The potential rock throwers—those between 15 and 25—number 300,000. Poor, idle, infected with frustration, this embittered generation has little faith that its elders, including those who run the Arab states and the P.L.O., still have the will to remove the yoke of Israeli occupation.

Like a swelling number of other young people in the Middle East, the Palestinians have instead begun to turn to Islamic fundamentalism for their ideological sustenance. The fundamentalists are especially strong in Gaza, where the teeming refugee camps have become a fertile breeding ground for the message of the Islamic sheiks. Islam is also gaining strength in the camps and universities of the West Bank. Says Efraim Sneh, an Israeli brigadier general who recently resigned as head of the West Bank Civil Administration: "Islam is moving into the void, and it's much more difficult to combat that kind of terrorism."

Ironically, the Israelis, far from cracking down on fundamentalist activity, had until recently raised no objection to it, hoping it would turn the youth of the territories away from the P.L.O. In Gaza the military allowed the fundamentalists to establish kindergartens, youth clubs, sports organizations and, in 1978, an Islamic college. They also permitted the building of mosques, whose number in Gaza rose from 70 in 1967 to nearly 180 today. They even allowed the Islamic sheiks to bring in money from abroad, mostly from Saudi Arabia, to support their activities.

After allowing the seeds to be sown, Israel is now reaping the harvest of fundamentalist hatred. Islamic teachers have been some of the main cheerleaders of the rioting, blaring their call to resistance from loudspeakers attached to mosques in Gaza, the West Bank and East Jerusalem. They substitute Islamic slogans for the old P.L.O. themes, chanting "Allah helps those who help themselves" or "Palestine is our Holy Land." Their call to the barricades is made more effective by Islam's reverence for martyrdom. For now, the voice of Islam speaks from a small base, with the various local groups like Jihad Islami and Mujama Islami claiming at most a few thousand members. But they have served as an emotional framework for the aimless ire of the rebels.

The P.L.O., in contrast, has been trying to catch up with the angry young Palestinians. Arafat publicly claimed credit for organizing the protests last week, but

his advisers acknowledge that the eruptions were not orchestrated. "The P.L.O. cannot order people into the streets," says a Cairo-based Palestinian businessman with close ties to Arafat. "People have to be motivated by internal factors. It has to be spontaneous."

Arafat is trying to climb back into control. He is uniquely positioned to do so, since the P.L.O. is still the only organization in the territories with the money and clout to respond to the Palestinians' needs. The P.L.O. has sent dozens of radio and telephone messages to its friends inside the territories urging them to join in the unrest. P.L.O. officials say they have

Israeli political leaders are beginning to learn a different lesson, best expressed by Minister of Economics Gad Yacobi, a Labor Party member. "The true sources of the recent events are the pent-up fury and hatred of 20 years of occupation, the swelling frustration over diplomatic stagnation, and the sense of impotence and hopelessness stemming from this." Added Ezer Weizman, a former Defense Minister and Likud bloc member who recently defected to Labor: "If we do not advance now toward a political solution the situation will only deteriorate rapidly."

Members of Israel's national-unity government, a coalition of the center-left Labor

Party and right-wing Likud bloc, have begun moderating their positions, partly in anticipation that the Palestinian unrest will be a major issue in national elections scheduled for November. Even Prime Minister Shamir said last week he "would not object to the idea" of negotiating with non-P.L.O. Palestinian leaders. But he also continues to insist with more fervor than ever that Israel will never give up the West Bank, and never consider altering the settlement policy that has allowed 65,000 Jews to set up homes in the West Bank and 2,700 more to do so in Gaza. Foreign Minister Peres, who switched jobs with Shamir in October 1986, has once again begun talking up his proposal for an international conference, and says he intends to reactivate the peace process "soon." Yet few believe, even in the face of the worst Palestinian violence in 20 years, that Israel's politically paralyzed government



Defiance: angry Arab women attempt to block a house-to-house search in Gaza

"It is one national will against another national will."

provided food, medical equipment and money to the inhabitants of the Gaza refugee camps, though camp residents deny it. "The P.L.O. is the only institution these people can go to when they're in trouble or when they need help," says Nabil Sha'ath, a member of the P.L.O. central council. Still, the veteran P.L.O. leadership has found itself for the most part looking on from the sidelines.

Israeli military authorities have found to their dismay that they cannot stop the rioting of the *shabab* by cutting off its head. The youth movement is so fluid that the arrest of some 2,000 "leaders" of the uprising seems to have had little effect. There are now some 6,500 soldiers in the occupied territories, five times the number on the ground when the unrest broke out in early December. "We can go on like this for a long time," says army Chief of Staff Dan Shomron. "But I know very well that the influence on the forces is a negative one. My main lesson for the future is that such things can and will erupt quickly, so we must be ready to react swiftly."

can generate the will to find a diplomatic solution.

As for the Palestinians, they have drawn world attention to their plight by making martyrs of their sons and burning tires in the streets. Their spasm of violence has no practical objective and is accompanied by no political program. "It's all been lost on them," says Benvenisti. "All they've got is a new myth of the children of the stones."

The real tragedy of all this fury is that neither side is any closer to settling the violent struggle for the same cherished rocks and hills. Israelis and Palestinians, except for the extremists among them, know that only a political compromise can end the agony. But neither side possesses the courage to begin. And so the Palestinians seem destined to continue futilely flinging stones, while the Israelis remain committed to fighting back with bullets. And time keeps slipping away.

By Michael S. Serrill

Reported by Dean Fischer/Cairo and Johanna McGoary/Jerusalem



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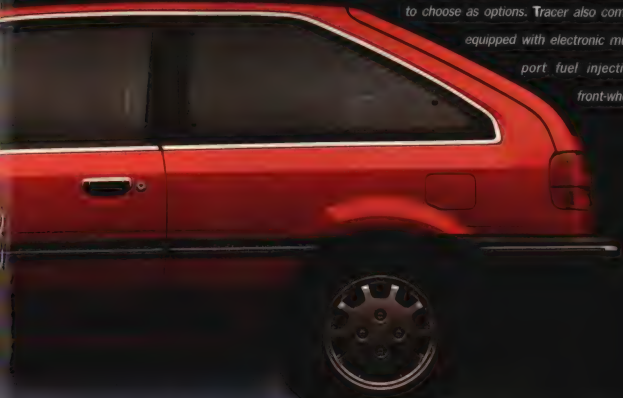
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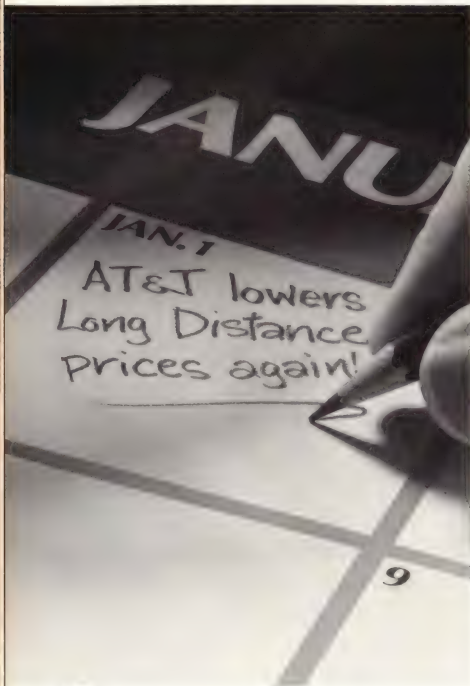
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World

CENTRAL AMERICA

Giving Peace Another Chance

Nicaragua promises key concessions—and buys more time

For Costa Rican President Oscar Arias Sánchez, it was a moment of truth. He had won the 1987 Nobel Peace Prize with a plan to end the violent political struggles that have long plagued Central America. But his five-month-old blueprint, far from halting the region's civil wars, had not even kept the combatants at the bargaining table. "The will for peace does not exist right now," conceded Arias before meeting last week with the four other Central American Presidents who had originally endorsed his plan in Guatemala City. "In 150 days, we have not been able to advance by much in the agreements to which we subscribed."

So it was all the more stunning when Nicaraguan President Daniel Ortega Saavedra climaxed the heated session with what appeared to be a remarkable set of concessions. Ortega agreed to meet within days with leaders of the U.S.-backed *contras* and to open direct negotiations for a cease-fire in Nicaragua's civil war, now in its seventh year. Once the shooting stopped, Ortega said, his Marxist-oriented Sandinista government would release its political prisoners. He also promised to lift the six-year state of emergency that had allowed the Managua regime to impose its dictatorial rule. Those last-minute pledges saved the meeting—and perhaps the whole peace process—from total collapse. "War is easy," declared Arias at a postsummit press conference. "Peace requires goodwill from many people."

Yet the Sandinistas' methods and motives left ample room for skepticism. Even as the Presidents were talking peace in Costa Rica, Nicaraguan security agents in Managua arrested four prominent opposition leaders as suspects in an alleged CIA conspiracy. Opposition sources saw the move as a sign that hard-line Interior Minister Tomás Borge Martínez was unhappy with the concessions being made at the peace talks. And Ortega's aim was not purely altruistic. His main goal, apparently, was to ensure that the U.S. Congress turns down a Reagan Administration request next month for some \$150 million in new *contra* aid. By agreeing to take the very steps sought by Washington and Nicaragua's neighbors, Ortega sought to show that there was no further need for more *contra* funds. After the meeting, Ortega declared that Congress no longer had any reason to vote aid to the rebels, "not one dollar more, not one cent more."



On the spot: an embattled Ortega meets the press in Managua

On the eve of the summit, the region's peace prospects had seemed anything but bright. Since the Arias plan was signed last August, its calls for regional cease-fires, democratic reforms and an end to foreign support for rebels have been virtually ignored. In Nicaragua, the *contras* last month launched the heaviest assault of the war. The Sandinistas, for their part, virtually ensured that the bloodshed would continue by refusing to talk directly to the *contras* and by flaunting plans for a military buildup. In El Salvador, meanwhile, leftist guerrillas pursued their struggle against the government of President José Napoleón Duarte, while right-wing death squads claimed new victims with impunity.

It was against that discouraging backdrop that the leaders of El Salvador, Guatemala, Honduras and Nicaragua met

with Arias near the Costa Rican capital of San José last week to assess the progress of the peace plan. Originally expected to begin and end Friday, the meeting dragged into the next day as the leaders

bargained and bickered over a round table. Arias' frustration surfaced Saturday after a morning swim before the session resumed. Said the dejected summit host: "I did everything I could. We all knew that if we failed to come to an agreement, the war would continue." Before the day was over, however, the tide had turned and Arias' reputation as a peacemaker had regained its luster.

Arias had not waited for the summit to chastise those whom he accused of hindering the peace plan. In a letter to three top *contra* leaders who fled Nicaragua several years ago and now reside in Costa Rica, the soft-spoken President demanded that they abandon their rebel activities or leave his country. The three, Alfonso Robelo,

Alfredo Cesar and Pedro Joaquín Chamorro, sit on the six-member board that directs the *contras'* political affairs and produces a steady stream of anti-Sandinista propaganda. The next day Arias counterbalanced his anti-*contra* blast with a blunt four-page letter accusing Nicaragua's Ortega of failing to comply with the peace agreement. While the Sandinistas allowed a single opposition newspaper, *La Prensa*, to reopen last October, they have shown little readiness to allow broader political freedoms. Admonished Arias: "There is no room for legal structures that deny democratic process."

The Reagan Administration kept a close eye on the Costa Rica summit. In a whirlwind tour of Central America two weeks ago, Lieut. General Colin Powell, Reagan's National Security Adviser, irritated Nicaragua's neighbors by suggesting that they might suffer U.S. aid cutbacks if they abandoned the *contras*. Powell also urged them to condemn the Sandinistas' intransigence as a major obstacle to peace. The Administration's critics saw the mission as part of an overall plan to topple the Sandinistas by using the *contras* to wage a proxy war. The outcome of last week's summit, however, seemed to dim hopes that Congress would approve more military aid for the *contras* anytime soon. Conceded an Administration official: "The Sandinistas are off the hook for now. It's extremely difficult to justify lethal aid if the Sandinistas appear to be accommodating." The trick for Managua will be to keep up that appearance abroad without eroding its hold on power at home.

—By John Greenwald. Reported by John Moody/San José and José Pérez/Managua



Facing the facts: Costa Rican President Arias. "The will for peace does not exist."

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World

TAIWAN

The End of a Dynasty

After Chiang Ching-kuo's death, a native islander takes power

The announcement signaled the end of one of the century's longest-running political dynasties, a father-to-son reign that lasted more than six decades but also saw its dominion shrink from the world's most populous nation to a small island off the mainland of China. Shortly after 8 p.m. last Wednesday, programming on Taiwan's government-owned television and radio stations was suddenly interrupted. Premier Yu Kuo-hwa was shown addressing the central standing committee of the ruling Kuomintang (Nationalist Party). Speaking in somber, measured tones, he announced that President Chiang Ching-kuo, 77, son of Generalissimo Chiang Kai-shek, had died of heart failure in Taipei, the capital. A few minutes later, Vice President Lee Teng-hui, already sworn in as Chiang's successor, called on his fellow citizens to "unite together and fulfill the mission that Mr. Chiang was unable to finish."

Lee was doubtless making a pro forma reference to the old dream of reunifying China under Nationalist rule. But his observation applied equally to a more re-



Cadets mark 75th anniversary of Chinese Republic's founding
From paddyland backwater to midsize economic powerhouse.

alistic mission that has been largely attained: transforming Taiwan from an impoverished paddyland backwater into a prosperous modern society. Today the island nation is a midsize economic powerhouse that produces the world's eleventh largest volume of exports.

Yet that proud accomplishment, along with almost everything else in Taiwanese life, is overshadowed by the pivot-

al question of the country's future relations with the mainland Communist regime, which still claims the island as a province. Clearly concerned that Taiwan's new leadership may lack Chiang's adamant belief that the island remain a part of China, Beijing's leaders went out of their way to pay tribute to the late President. Communist Party Chief Zhao Ziyang noted approvingly that Chiang "had upheld a 'one-China' policy." Taiwan's geopolitical status is also a matter of concern for Washington, which ceased to recognize Taiwan diplomatically in 1979 but continues to sell arms to the country and to count it as the fifth largest U.S. trading partner. President Reagan sent a personal message of condolence to Taiwan, and Washington praised Chiang as a "respected leader."

Lee's rise to power marked a historic turning point for Taiwan. For the first time since Chiang Kai-shek led his defeated Nationalist troops there in 1949, the Taipei government will be led by one of the native Taiwanese, who make up 80% of the total population of 20 million. Lee, 65, was born to a family of rice and tea farmers on the island's north coast. A devout Presbyterian who speaks English fluently, he was educated in Kyoto, Japan, and earned a Ph.D. in agricultural economics from Cornell in 1968. Lee joined the Cabinet as a Minister Without

In His Father's Footsteps

President Chiang Ching-kuo of Taiwan was so unlike his famous father that he hardly resembled him at all. While Generalissimo Chiang Kai-shek was wiry, aloof and dictatorial, his son was rotund, jovial and pragmatic. The elder Chiang fielded armies against both the Japanese and Mao Zedong's Communists. The younger, though bearing the nominal rank of general, never saw action on the battlefield. Yet after the Nationalists fled the mainland, it was the son who helped transform the father's defeat into victory. Chiang Ching-kuo's inheritance was the loss of China; when he died last week of heart failure at 77, he left the miracle of Taiwan as his own legacy.

Chiang Ching-kuo grew up barely knowing his father, who was away most of the time making a career in the military. He was educated in the Soviet Union, embraced Communism for a time, and at one point signed a denunciation calling his father an "enemy of the working class." Later, Soviet authorities made Chiang a virtual hostage, banishing him to Siberia and the Urals. There he married a young Russian woman named Faina.

In 1937, Chiang Ching-kuo was finally allowed to return home after twelve years in the Soviet Union. He

served in a succession of government posts, and in 1949 joined his father and 2 million other mainlanders in a mass retreat across the Formosa Strait after the Communists seized power in Beijing. Chiang Ching-kuo then presided over a political-warfare department that policed the island against mainland infiltrators and waged propaganda campaigns against the Communists.

Upon the Generalissimo's death in 1975, Chiang, already Premier, succeeded him as Chairman of the Kuomintang. Given the title of President in 1978, he wisely encouraged active Taiwanese participation in the island's surging economy, thereby promoting political stability. He also gained considerable personal popularity, mixing regularly with farmers, laborers and fishermen. Some setbacks occurred, however, most notably the U.S. decision in 1979 to recognize the Beijing regime.

Chiang continued to pay lip service to the Generalissimo's dream of recovering the mainland. But as his own health began to deteriorate, the son began to relax the father's military grip. Last summer, at the President's behest, the state of martial law that had begun shortly before Chiang Kai-shek's arrival on Taiwan and lasted 38 years was ended. With that, the groundwork was laid for an era of political normality the island republic had never known.



The succession: Generalissimo and son

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BUCKLE UP FOR SAFETY

Portfolio in 1972 and later served as Taipei mayor and Taiwan province governor. The new President has no political base, however, and may wind up effectively sharing power with Premier Yu and Kuomintang Secretary-General Lee Huan for the remainder of his term, which runs until 1990. Despite his homegrown roots, Chiang's successor is no advocate of declaring a permanently independent Taiwan, a step Beijing has

warned would provoke it to military action.

Lee's economic background should serve him well. Despite a spectacular average annual growth rate of more than 9% over the past two decades, Taiwan's economy now stands at a potentially hazardous crossroads.

With an average manufacturing wage of \$535 a month, the country can no longer claim to offer cheap labor by Asian standards, yet it has been slow to invest in higher-technology fields. Exports of textiles, a key industry, last year grew by an impressive 23%. But other sectors have been hurt by a 40% rise since late 1985 in the value of the New Taiwan dollar against the U.S. greenback, which has increased the price of the island's products in many overseas markets.

Politically, the new President is expected to follow through with the three major initiatives prepared in the final years of the Chiang regime. The first of these steps, the lifting of martial law, was accomplished last year. The second, permitting opposition political parties, was effectively taken with the formation in 1986 of the liberal Democratic Progressive Party, which is expected to be granted full legal rights later this year. More problematic is the goal of reorganizing the country's three legislative bodies. Lee's need to play consensus politics may prevent him from moving rapidly on that and other unfinished business. The new leader will almost certainly continue the policy, begun only last November, of allowing Taiwan residents to travel to the mainland to visit family members. So far, more than 11,000 former mainlanders have traveled legally to China, and thousands more have made the trip covertly.

One test of Lee's China policy will be his handling of trade and travel ties to Hong Kong as the British colony prepares to revert to mainland rule in 1997. According to an agreement signed by Britain and China in 1984, Hong Kong will be allowed to retain its capitalist system for 50 years, as well as a large measure of local control. Many Taiwanese will be watching Hong Kong's experience for guidance on how to handle their future relations with the mainland. While a Taiwanese reunification even as tenuous as Hong Kong's is by no means inevitable, a gradual improvement of relations across the Taiwan Strait seems likely.

—By William R. Doerner.
Reported by Jay Brannigan/Taipei, with other bureaus

SOVIET UNION

At the Point of No Return

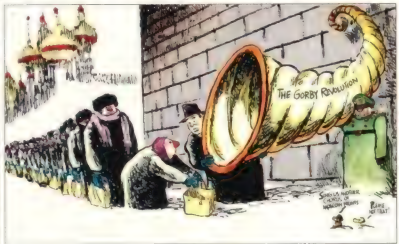
Answering his critics, Gorbachev pushes ahead on reform

Mikhail Gorbachev put the matter bluntly: It was now or never for his economic reforms. "If we take fright and stop the processes we have begun," he warned, "it would have the most serious consequences because we simply could not raise our people to such a massive task a second time." Striking a characteristic note of urgency, he added, "To stop now would be disastrous. We must not permit it under any circumstances."

Gorbachev's admonition, delivered Jan. 8 to Soviet editors and published last week by TASS, was another clear sign that his reform drive is running into stiff opposition. His economic restructuring program, known as *perestroika*, entered a bold new phase on New Year's Day, when 60% of Soviet industry was put on a

financing plan is doomed to become a "fiction." Writing in the newspaper *Sovetskaya Kultura*, he said Soviet plants would still sell most of their goods to the government.

Gorbachev moved swiftly to claim the middle ground, telling Soviet editors, "We are frequently criticized by some from the right and some from the left." Referring indirectly to last year's ouster of Boris Yeltsin as head of the Moscow Communist Party organization, he denied that the move was a setback for reform. He indicated that Yeltsin, once a close ally, had pushed too hard for sweeping changes. As for criticism from the right, Gorbachev insisted that his initiatives were actually strengthening socialism rather than creating a Western-style "private-owner mentality"—something that



"How'm I doin'?"

"self-financing" basis. The new system allows enterprises to decide what to produce and where to sell it, but it also requires them to earn a profit or go out of business. Those elements of capitalist-style risk taking are frighteningly foreign to managers accustomed to relying on Moscow's central planners for virtually all business decisions. If employees of successful enterprises can anticipate increased bonuses and shared profits, others face the hitherto unknown prospect of plant closures and severe job dislocations.

The self-financing system faces challenges from all sides. Skepticism is widespread among Soviet citizens, who are being asked to work harder but have yet to see any tangible benefits in the form of increased supplies of better-quality goods. Party and government bureaucrats fear lost privileges and deviations from socialist ideology. Even some of the Soviet leader's reform-minded allies have reservations. Economist Gavril Popov, a Gorbachev adviser, has argued publicly that the self-

could not develop, he argued, as long as the state continued to own most property.

Nor is the economy the only thing Gorbachev seems determined to change. Last week he dramatically demonstrated his commitment to *glasnost* by meeting with Physicist Andrei Sakharov. It was the first time a Soviet leader had ever encountered so prominent a dissident face to face. The exchange took place at the Kremlin, where Gorbachev was receiving members of an international peace and human rights group. Sakharov, whom Gorbachev had freed from internal exile in 1986, handed the Soviet leader a list of 200 political prisoners whose release he sought. Apparently impressed with Gorbachev's openness, Sakharov later declared, "This kind of leader is needed in a great country at such a decisive moment in history." Coming from one of the best-known victims of Soviet repression, that was quite an endorsement.

—By John Greenwald.
Reported by James O. Jackson/Moscow

World Notes



SPORT Seoul Olympic mascot



SPAIN Adios to Uncle Sam's F-16 squadron



AFGHANISTAN Defiant rebels

SPORT

The Games Nations Play

The Russians are coming. That was the word from Moscow last week as the Soviet Union confirmed that it will send some 520 athletes to the Seoul Summer Olympics in September. The announcement meant that U.S. and Soviet athletes will meet in Summer Olympic competition for the first time since 1976. Two nations that will not be there, though, are North Korea, which pulled out of the Games after its demand to be host for half the events was denied, and Cuba.

North Korea's anger over the games was dramatically underscored last week when South Korean officials formally charged their Communist neighbor with blowing up a Korean Air Lines jetliner in November "with the aim of discouraging foreign countries from participating in the Seoul Olympics." KAL Flight 858, with 115 people aboard, vanished off the Burmese coast; wreckage was later found floating in the Andaman Sea.

Before a national television audience, Kim Hyon Hui, 26, a North Korean agent, tearfully described how she had placed a bomb disguised as a radio on the Baghdad-Seoul flight. The timer was set to go off several hours after she and her partner, Kim Sung Il, 69, disembarked in Abu Dhabi. The pair

swallowed cyanide capsules when they were arrested shortly after the jetliner vanished. Kim Sung Il died, but Kim Hyon Hui recovered and was taken to Seoul, where she will soon stand trial.

SPAIN

Up, Up And Away

Throughout 18 months of negotiations, Washington kept sweetening the pot, offering to reduce its fighter fleet at Spain's Torrejón Air Base outside Madrid first by 10%, and later by 20%. Each time, Spanish negotiators countered with a demand for complete withdrawal. Last week the U.S. blinked, announcing that 72 F-16 fighters will be pulled out of Spain by 1991 at the latest.

It was a reluctant concession for the U.S., which regards the fighters as a crucial link in the defense of NATO's southern flank. But Socialist Prime Minister Felipe Gonzalez insisted that the withdrawal was necessary to comply with a promise to reduce the U.S. military presence in Spain in return for passage of a 1986 referendum endorsing the country's continued membership in NATO. Agreement on the F-16 issue should also smooth the way for a new treaty that will allow continued U.S. access to other bases on Spanish soil.

TERRORISM

Fingering the Disco Bomber

The explosion last April that wrecked La Belle, a West Berlin discotheque popular with U.S. servicemen, is still reverberating in Western Europe. The disco bomb killed two Americans and a Turkish woman and wounded 230 others; ten days later, following charges that Libya was responsible, President Reagan ordered bombing raids against targets in Libya. Last week West German police arrested Christine Gabriele Endrigkeit, 27, a native of West Berlin. She is allegedly an associate of jailed Jordanian Terrorist Ahmed Nawaf Mansour Hazi, who has been convicted of bombing the German-Arab Friendship Society building in West Berlin a week before the La Belle blast. West German police suspected that Hazi was involved in the La Belle case, but were unable to prove it; they now believe Endrigkeit carried the bomb into the disco.

WEST GERMANY

Handle with Extreme Care

Transnuclear, a West German nuclear-waste transport firm, first won notoriety last spring when German authorities started unraveling a

scheme in which the firm had smuggled 2,438 barrels of falsely labeled nuclear waste into the country. Last week the firm's name hit the headlines again when a tipster alleged that Transnuclear had shipped fissionable nuclear material from the Nuclear Energy Research Center in Mol, Belgium, to Pakistan and Libya. If true, the action violated an international accord that prohibits the export of materials for making nuclear weapons. More important, the radioactive material would aid Pakistan's advanced efforts and Libya's fledgling program to build nuclear bombs.

AFGHANISTAN

Home for May Day?

Will Soviet citizens have an extra cause to celebrate during this year's May Day festivities? If a report in *Pravda* is to be believed, the 115,000 Soviet troops in Afghanistan could start coming home May 1. The Soviets still insist, however, that the U.S. first halt support for the *mujahedin* rebel groups—something the Reagan Administration has refused to do until Moscow agrees on a definite timetable for its pullout. Said a skeptical U.S. official: "We're waiting for that crucial missing link, which is a Soviet decision on withdrawal."

Economy & Business

Breathing a Bit Easier

A reduced trade deficit heartens the markets, but the gap is still huge

The suspense in the world's stock and currency exchanges last week was almost palpable. Share prices gyrated, and the value of the dollar fluctuated fitfully, but none of the financial markets moved with any conviction. Traders seemed practically paralyzed by the knowledge that on Friday the Commerce Department would release the U.S. trade statistics for November. There was good reason for their concern. Three months earlier a worse than expected trade-deficit figure helped send the stock market into a slide that culminated in the great crash of Oct. 19. And in mid-December the announcement of a sharp jump in the trade deficit sent the dollar tumbling.

No wonder that at 8:30 a.m. Washington time last Friday, virtually every money manager and trader was intently watching a TV, a computer terminal or a wire-service ticker. When the fateful figure at last flashed across the screens, it was another shocker—but this time a good one. The Government announced that the November deficit was \$13.2 billion, a stunning 25% decline from October's record \$17.6 billion shortfall and the best monthly trade showing since the \$13 billion gap in April. Exports surged 9% from October, to \$23.8 billion, as imports fell 6%, to \$37 billion. Inflation numbers, announced at about the same time, were equally encouraging. U.S. wholesale prices actually declined by .3% in December, largely because of decreasing energy costs. For all of 1987, wholesale-price inflation totaled a modest 2.2%.

The double charge of cheery news had a predictably explosive impact on currency exchanges and financial markets. The dollar jumped to nearly 131 Japanese yen, up sharply from about 126 yen the day before. The greenback also fetched 1.68 West German marks, vs. 1.63 the previous day. At the New York Stock Exchange, everyone who had been planning to buy stocks if the trade figure was good seemed determined to get in at the opening bell. The Dow Jones industrial average skyrocketed, beginning trade 55 points above Thursday's close of 1916. But the surge ended al-

most as soon as it had begun, and the market settled into a day of seesaw trading as some investors decided to cash in their profits. The Dow finished at 1956.07, up 39.96 for the day and 44.76 for the week.

The relatively modest proportions of Friday's stock rally may have reflected the realization that while the November trade figure was a welcome improvement, it hardly signaled an end to America's stubborn deficit dilemma. Standing at \$159 billion through the first eleven months of the year, the 1987 deficit has already surpassed the record \$156.2 billion imbalance of 1986. As recently as 1981, the U.S. trade gap was only \$34.6 billion.

President Reagan seems able to find encouragement in the trade figures no matter which way they are moving. After Friday's news, Reagan said the rise in ex-

ports showed that "our competitive position in the world is steadily improving." That was a bit at odds with a comment he had made four days earlier, when he called the deficit with other nations a "sign of strength" because "our growing economy enables us to buy their goods." This rationalization provoked ridicule from Democratic critics. Congressman Richard Gephardt of Missouri, a champion of fair trade and a presidential candidate, labeled Reagan's argument "mush." Said he: "The trade deficit is an indication that we're not winning our share of the world economy." Rudolph Oswald, chief economist of the AFL-CIO, agreed. "Reagan must have been reading *Alice in Wonderland* rather than the U.S. trade figures. He's got everything upside down."

Concern about the trade deficit fo-



cused attention on last week's visit to the White House by Japan's new Prime Minister, Noboru Takeshita. Last year Japan accounted for \$60 billion of the U.S. trade gap. The two leaders agreed that reducing the trade imbalance was a "top priority," but took only a few modest steps in that direction. Takeshita made new proposals to give American construction companies greater access to Japanese public works projects. He also promised that his government would strive to hold down interest rates, which could help stimulate Japan's economy and boost demand for imports from the U.S. Both men said that the dollar's three-year fall against the yen had gone far enough.

Whether or not the dollar goes lower, its 50% decline against major currencies since early 1985 has started to work wonders for American exporters, who have watched their products become progressively cheaper to foreign buyers. U.S. exports were an estimated \$251 billion last year, up nearly 15% from 1985, and most economists expect the rise to continue. Jason Benderley, a senior economist at the Goldman, Sachs investment firm, predicts that if the dollar stays at its current level, overseas shipments could grow by as much as 15% a year through 1991. If imports level off or decline, the trade deficit could finally start to shrink steadily.

An increase in exports may be crucial to keeping the U.S. economy out of a recession in 1988. After five years of eco-

nomie expansion, American consumers may begin to slow their spending, especially in the wake of October's stock crash. But foreign demand for U.S. goods could keep American factories humming and boost capital spending as companies strive to increase their production. Many economists think the U.S. is on the verge of becoming the sort of export-driven economy that West Germany and Japan have been over the past quarter-century.

While traditionally strong exporters such as Boeing, IBM and General Electric are leading the way, the list of U.S. companies pushing hard for overseas sales is growing rapidly. Steelmaker USX has revived its international division, dormant since 1984. Chrysler, which has not had much of a foreign presence in the past, expects to sell \$700 million worth of cars in Europe this year, double the 1987 level. Exports are also exploding for Apple Computer, Zenith Electronics, Tandy, and other manufacturers of personal computers. Says Jim LeMunyon, a spokesman for the American Electronics Association: "With the dollar down, U.S. electronics manufacturers will hit the world markets with a great advantage."

But the weak dollar is not the only factor in the return of America's export prowess. Through cost cutting, work-force reductions and increasing use of technology, U.S. companies are becoming leaner and more efficient. Between 1986 and 1987, U.S. manufacturing productivity—output

per man-hour worked—rose by an average 3.75%, compared with 3.5% in Japan and 2.2% in West Germany. At the same time, U.S. labor costs have fallen by 3%, while they have remained about the same in Japan and risen by 6.5% in Germany. In at least one basic industry, the U.S. has actually become the low-cost producer among major countries: it can turn out a ton of steel for \$470—\$55 less than it costs in Japan.

There are limits, however, to how rapidly the export drive can proceed. Some industries are already running almost flat out. Paper plants, for example, are operating at 95% of capacity, textile mills at 94%. Says Robert Gay, a senior economist at the Morgan Stanley investment firm: "Any feasible expansion of U.S. exports, by itself, cannot eliminate the trade imbalance, at least not within the next several years."

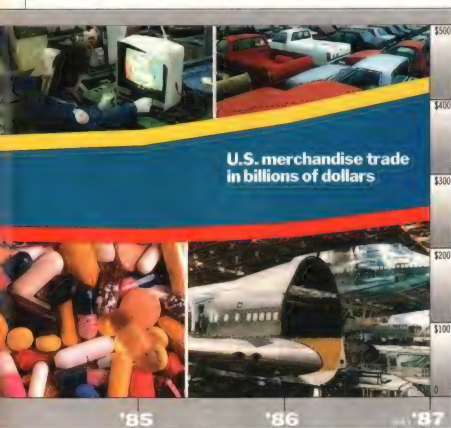
The problem is that imports are still running more than 50% ahead of exports. In some cases, as the prices of imports rise because of the weak dollar, consumers can be expected to switch to American-made products. California vintners are picking up sales at the expense of French and Italian wines. But many big spenders still prefer the mystique of imported products, from a Mercedes-Benz roadster to an Hermès purse. Some popular items, like the videocassette recorder, are not made in the U.S. at all.

To many economists, the fundamental story behind the trade deficit is that America has been living beyond its means. Says Goldman, Sachs' Benderley: "For six years, while our trade partners were tightening their belts, we created a consumption machine through a combination of tax cuts and increased spending." The best remedy may be to keep reducing the U.S. budget deficit and to slow down—but not stall—the economy.

The consequences of America's deficit spending grow more serious by the day. Foreigners are using the dollars they accumulate from selling goods in the U.S. to buy American stocks, bonds, real estate and corporations. In the July-September quarter of 1987, foreigners earned some \$260 million more on these investments than Americans received from their holdings abroad. It was the first time the U.S. had run this kind of investment deficit in more than 50 years. What it means is that the U.S. will eventually have to run a trade surplus just to pay the interest it owes to other nations. So far, foreigners have loaned the U.S. the money to balance its accounts, but that cannot go on indefinitely. As a result, the U.S. faces a difficult choice: bring its consumption down now or risk a hard landing later on.

—By Gordon Bock.

Reported by Jerome Cramer/Washington and Frederick Ungeheuer/New York



The Culprits Behind the Crash?

Blamed for Black Monday, portfolio insurers fall on hard times

It was billed as the high-tech investment strategy of the decade. Using computerized trading in esoteric investment vehicles like stock-index futures, the technique promised managers of pension funds or any other kind of investment pool the Wall Street equivalent of the Holy Grail: "insurance" for their portfolios against future downturns in the stock market. As the Dow Jones industrial average kept climbing to new highs through much of 1987, the value of the funds covered by so-called portfolio insurance swelled to an estimated \$80 billion.

Then came Black Monday. When the market crashed on Oct. 19, so did the reputation of this hot new investment tool. Since then the assets covered by portfolio insurance have shrunk by about two-thirds. Worse, its practitioners were accused by a presidential task force chaired by Investment Banker Nicholas Brady of being primarily responsible for the severity of the crash. Says Howard Stein, chairman of Dreyfus and a member of the Brady commission: "A handful of aggressive speculators brought the market to near collapse." Robert Kirby, chairman of Capital Guardian Trust and another task-force member, comments, "They've taken our financial markets and turned them into a damned casino."

The idea behind portfolio insurance is deceptively simple. During a rising market, a fund manager pays a premium to an insurer in return for a promise that the value of his portfolio will not fall more than a specified percentage if the market takes a nose dive. Investors have long searched for such a perfect hedge, and with the advent of new investment tools in the early 1980s, it looked as if they had finally found one. Says Hayne Leland, the Berkeley finance professor who came up with the scheme: "We felt we had a reliable instrument."

Leland's original idea, developed in the mid-1970s with the help of another Berkeley professor, Mark Rubinstein, involved a complex formula by which money managers would make swift, sharp changes in the ratio of cash to stocks in their portfolios as share prices rose or fell. The plan was workable, but because it involved buying and selling large quantities of stocks, it was also relatively cumbersome and expensive.

Enter stock-index futures. These are speculative instruments, traded mostly in the pits of the Chicago commodity exchanges, that allow investors to bet on the direction the stock market is headed with-

out having to buy the stocks themselves. Cheaper and easier to trade than traditional securities, stock-index futures seemed to the budding portfolio insurers like a hedge made in heaven. Rather than sell stocks when prices start to fall, clients could hold the stocks and sell stock-index futures instead. If the market kept falling, income from the sale of the futures would offset much of the losses in the underlying stocks. If the market reversed field and started back up, clients would take some

stein was insuring hundreds of millions in assets. Two years later, the firm had licensed its strategy to half a dozen investment counselors, including Wells Fargo Investment Advisors and Aetna Life Insurance, and the value of covered assets had grown to some \$45 billion.

So what happened on Oct. 19? Basically the scheme was undone by its own success. When the stock market began to dive, all the portfolio insurers started selling futures at once. As the price of the futures collapsed, the stocks followed suit. That triggered further selling by the portfolio insurers, reinforcing the downward spiral. One of the biggest, Wells Fargo, sold \$1.6 billion in futures on Black Monday alone. This was more than the market could absorb. Says Capital's Kirby: "It's like a guy driving into a parking lot with the *Queen Mary* and asking, 'How come these guys haven't provided a space for me?'"

In their defense, portfolio insurers point out that their combined actions accounted for only 20% of the volume on Oct. 19. "You can't blame us," says Eric Seff, a managing director of Chase Investors Management, a division of Chase Manhattan Bank. In fact, much of the damage on Black Monday was done by a small group of fleet-footed traders who could see the insurers coming and rushed to get out of the market ahead of them. Says Fred Grauer, chairman of Wells Fargo's investment unit: "The preponderance of selling activity was in the hands of others."

The one thing the technique did not do on Black Monday was provide total insurance against a crash. One deeply insured investment fund, the pension plan of U.S. WEST in Denver, watched the value of its stock holdings shrink from \$3.3 billion to \$3 billion. Although the company estimates it might have lost an additional \$400 million had it not been covered, it no longer insures its pension funds.

Regulatory action could make it much more difficult to use portfolio insurance in the future. Last week the New York Stock Exchange announced an experimental ban on certain computer trades when the Dow rises or falls 75 points or more in a single day. Moreover, both the Chicago Board of Trade and the Chicago Mercantile Exchange have imposed daily limits on how much the prices of stock-index futures can fluctuate. But even the Brady task force says it would prefer to let the marketplace make its own decision about portfolio insurance, rather than try to ban it outright. As Robert Gordon, president of Twenty-First Securities, puts it, "You can't outlaw a strategy."

—By Philip Elmer-DeWitt
Reported by Thomas McCarroll/New York and Charles Pelton/San Francisco



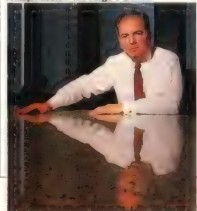
The inventors, from left: Leland, O'Brien and Rubinstein

"We felt we had a reliable instrument."

loss on the futures, but the value of their stocks would be higher.

Suddenly the professors had a salable product. Bolstered by the marketing skills of their new partner, a Bronx-born investment consultant named John O'Brien, portfolio insurance took off. By 1984, Los Angeles-based Leland O'Brien Rubin-

A major user: Wells Fargo's Grauer



The Whiz Kid Who Wasn't

SEC investigators uncover a \$10 million investment scam

Even among the legions of successful young investors operating on Wall Street in the headiest days of the bull market, David Bloom, 23, stood out as a precocious hotshot. Armed with little more than a good line and glib self-assurance, the son of a Manhattan pizza-restaurant owner persuaded scores of clients to give him some \$10 million so that he could play the stock market on their behalf. For some time, Bloom's clients were satisfied: quarterly reports for their accounts showed savvy trades and fat profits.

What no one realized was that, according to the Securities and Exchange Commission, the financial statements, the fat profits and the entire enterprise were part of an elaborate fiction. Instead of buying stocks for his customers, the SEC charged last week, Bloom used the \$10 million to support a lavish life-style. He bought about \$5 million worth of paintings, an \$830,000 Manhattan condominium and a \$2 million vacation house in posh East Hampton, Long Island. Bloom, who also owned a Mercedes-Benz and an Aston Martin convertible, went skiing in St. Moritz, paid up to \$500 for a bottle of wine and bought a \$195,000 diamond-and-platinum necklace that he said he intended to give to "the woman I marry." Says a former girlfriend: "David Bloom was obsessed with possessions."

Now those possessions are gone. Without admitting guilt, Bloom agreed to an SEC settlement in which he surrendered \$8 million worth of paintings, real estate and other assets. Proceeds from their sale will be split among the investors who gave him money. Two days after the settlement, federal prosecutors in Manhattan charged him with mail fraud. If convicted, he could face up to five years in prison.

Bloom's lawyer, Peter Morrison, did not deny the charges, but offered a novel defense. Had Bloom actually put his customers' money into stocks, suggested Morrison, they might be getting less of it back because of the Oct. 19 market crash. So putting investors' money into art and real estate may have been a wise strategy.

Bloom was in fact a shrewd art investor. He bought paintings by Edward Hopper, John Singer Sargent, Mary Cassatt and Willem de Kooning. Among the most expensive: Thomas Wilmer Dewing's *Lady in White* (worth \$750,000) and John White Alexander's *Alethea* (\$660,000). Says Loraine Pack-Liebmann, a Manhattan art dealer: "The kid did well. Many of the works he has bought have appreciated substantially in value." Example: Severin Roosen's *Vase of Flowers in Footed Glass Bowl with Bird's Nest*, purchased for \$175,000, may now be worth \$250,000, a potential profit of 43%.

Had Bloom kept a lower profile, his scheme might not have come to light for a long time. But he was not satisfied with having it all; he wanted people to know that he had it. One investor says Bloom bragged that his other clients included the Sultan of Brunei and the Bass brothers of Fort Worth. Bloom loved to play the role of philanthropist. To his alma mater,

of about \$2,500, and Bloom's reputation as a whiz kid was born.

In 1986, after earning a bachelor's degree in art history, Bloom began to play the role of a big-time investment adviser back home in New York City. He set up a corporation called Greater Sutton Investors Group, with luxurious 35th-floor offices just off Fifth Avenue. As word spread among family friends and acquaintances of his prowess as a trader, he pulled in most of the \$10 million within two years. He invented detailed records of trading activity on behalf of his clients. Everyone got good news. One client's



David Bloom in the \$830,000 Manhattan apartment that he filled with valuable art. He invented detailed records of fictional trades, and all his clients got good news.

Duke University, he sent two gifts of \$10,000 each, which were to be the first installments on a \$1 million pledge. He also gave the school two paintings, valued at \$58,500. SEC officials said they first became curious about Bloom, who never registered with the agency as an investment manager, after reading several articles about him. The New York Times Magazine included him in a story about art collectors and showed a picture of his richly appointed, art-filled apartment.

Growing up in Manhattan, Bloom attended Trinity, a prestigious private school, where he is remembered vaguely as a quiet, "reliable" boy. He went to Duke in 1982 and formed an investment club with another freshman. The two raised \$8,000 from about 20 fellow students to buy stocks. They turned a profit

statement, for example, reported that Bloom had bought shares in Apple Computer at 40 and sold them at 52½. On the few occasions when a client wanted to cash out, he simply dipped into another investor's account for the funds.

Bloom's friends cannot explain why he misused his obvious talents. Says Jake Phelps, director of the Duke University Union: "The really sad thing is David could have made that money honestly. I'd like to find out what was going on in his head." One clue may be a quotation he chose to put next to his high school yearbook picture. It was from F. Scott Fitzgerald's *The Rich Boy*: "We are all queer fish, queerer behind our faces and voices than we want anyone to know or that we know ourselves."

—By Janice Castro,
Reported by Janice C. Simpson/New York

Hello DAT

A new audiotape is on the way

Heralded by music lovers but feared by the music industry, the next wave of audio technology is about to hit U.S. shores. It is, as usual, made in Japan. The talk of this month's giant Consumer Electronics Show in Las Vegas was digital audio tape, or DAT. It seemed that just about every electronics company was showing off DAT players and recorders, and half a dozen firms said they would be selling machines in the U.S. by the summer. That prospect alarms record-company executives, who are afraid that DAT will induce more people to record their friends' albums rather than buy them in stores.

A DAT cassette looks similar to a standard tape but is about half as large and has a much clearer, sharper sound. Like the compact disc, DAT is the product of a digital recording method that uses computer chips to break sound down into billions of bits of information, which are stored on magnetic tape. The process reproduces sound more faithfully and with less background hiss and crackling than traditional analog recording techniques.

Kenwood expects to sell the first DAT machine in the U.S. next month. It will be a combination radio and tape player for cars. Ford has announced that similar units, made by Sony, will be in some Lin-

coln Continentals by June. While those two machines will only play tapes, other models that record music as well have been promised for the summer by Harman/Kardon, Marantz and Casio.

At first the equipment will be too expensive to appeal to anyone but real audiophiles. The Kenwood DAT unit will



Same symphony, but a new, richer sound

cost \$2,000, and the cheapest recorder announced so far will be a \$1,099 model from Casio. But as happened with CD players, prices can be expected to come down sharply as the market grows and competition heats up. Almost no prerecorded tapes are available yet to play on the machines, but at the Las Vegas show three small companies announced plans to market 100 classical and jazz tapes.

The dearth of prerecorded tapes and the high price of the equipment have resulted in surprisingly slow sales of DAT recorders in Japan, where they have been on the market for about a year.

The big question now is how soon Sony, which acquired CBS Records two weeks ago, will put Bruce Springsteen, Michael Jackson and all the other CBS stars on DAT. Sony is in an awkward position because CBS record executives have been leaders in the music industry's fight against DAT. They fear that home taping will ruin their lucrative CD business. As a modest concession to the recording industry's concerns, several DAT manufacturers are considering a special electronic system called Solo in their machines. Consumers will be able to make a digital tape of a compact disc but will not be able to duplicate that tape.

Many U.S. record executives prefer a tougher solution. They are urging Congress to force the DAT manufacturers to equip their machines with a computer chip that will block the copying of prerecorded music altogether. But while Congress considers the matter in its usual deliberate fashion, some DAT makers are accelerating their assault on the U.S. market. Their reasoning: if enough Americans buy DAT recorders, Congress will be loath to interfere with how they are used.

—By Janice Castro, Reported by Yukinori Ishikawa/Tokyo and Linda Williams/Las Vegas

Goodbye Beta

Sony will make VHS players

Sony has not made many major blunders, but the way it marketed Betamax was a beauty. The famed Japanese electronics firm started a home-entertainment revolution when it introduced Betamax, the original home-videocassette recorder, in 1975. Before long, however, competitors arrived in force with another type of VCR, dubbed VHS, which offered buyers more recording capacity. Sony gradually lost all but a tiny fraction of one of the richest markets in the consumer electronics business. Last week Sony said it will begin selling VHS players, in addition to Beta models, later this year. Inevitable as the move may have been, it was tantamount to Denver Broncos Quarterback John Elway walking onto the field wearing a Cleveland Browns jersey.

Sony officials probably knew they were in trouble years ago, when consumers began to use the terms VHS and VCR interchangeably. The company had made a crucial mistake. While at first Sony kept its Beta technology mostly to itself, JVC, the Japanese inventor of VHS, shared its secret with a raft of other firms. As a result, the market was overwhelmed by the sheer volume of the VHS machines being produced. In just the first year of VHS, Sony lost 40% of the VCR business to the upstart competition. By 1987 VHS ac-

counted for more than 90% of the \$5.25 billion worth of VCRs sold in the U.S.

While both types of recorder are fairly simple to use, there are differences in the technology. Most important, tapes for one machine cannot be played on the other kind; the VHS cassettes are larger. Proponents of the Betamax format insisted all along that its picture quality was superior



The bigger VHS tapes can record more

to what VHS offered, but most consumers either did not know that or did not care. Says Leonard White, president of Orion Home Video: "Beta is the perfect example of a better technology being outgunned by consumer preference."

One popular VHS feature was that its tapes could record more material. VHS had two-hour tapes—about the length of the average movie—when Beta was still

limited to one hour. Now that Beta tapes hold up to five hours of programming, VHS tapes can record for eight.

Where does the Sony decision leave the 20 million U.S. owners of Betamax machines? Most likely on the road to that vast consumer-electronics graveyard where orphaned home computers and other gadgets go. Though Sony says it will not stop producing Beta machines or tapes, industry experts are skeptical about the format's prospects. Says Makoto Tamaki, an electronics analyst at the Industrial Bank of Japan: "Someone who is going to buy a new recorder is likely to choose a VHS. There is the anxiety that Sony might stop making Beta."

If it does, few Beta owners will be surprised. Anyone who has tried to rent Beta movies has had difficulty finding recent film releases. Even though most major Hollywood studios still produce Beta versions of their movies, retail stores and rental shops devote most of their shelf space these days to the more popular (and more profitable) newly released VHS versions of such films as *Roxanne* and *Tin Men*. But as the ranks of Beta devotees thin out, they have one small consolation. They will face less competition in renting the Beta tapes still available. When they want to check out that well-worn Beta copy of *Annie Hall*, *Star Wars* or the very first *Rocky* movie, it is almost always on the shelf.

—By Janice Castro, Reported by Kumiko Makihara/Tokyo and Thomas McCarroll/New York

Business Notes



LAWSUITS The Amoco Cadiz off France in 1978



AIRLINES Whose face is on this jet?

BITCH, BITCH, BITCH.



Dynasty Weeknights at 9



ADVERTISING Feminist flap over a poster

BANKRUPTCIES

The Taxman Rings Twice

After settling an epic four-year legal battle last month by agreeing to pay Pennzoil \$3 billion, Texaco seemed ready to emerge from bankruptcy proceedings, and the company's executives thought they had every reason to celebrate. But the men who wear the star may have to put away the champagne and bring back the lawyers. Last week the Internal Revenue Service told Texaco that it may face a stunning back-tax bill: \$6.5 billion.

According to Texaco lawyers, the IRS claim relates largely to the company's oil dealings between 1979 and 1981. As a member of a consortium known as the Arabian American Oil Co. (Aramco), Texaco bought crude from Saudi Arabia for \$28 per bbl., even though the official going rate was \$32 per bbl. The IRS appears to be saying that Texaco should have considered the \$4-per-bbl. price break to be income and paid taxes on it. The other members of Aramco—Exxon, Chevron, and Mobil—could also face penalties, but they have not heard from the taxman yet.

The IRS's novel interpretation of the tax laws has never been tested in the courts. The agency apparently indicated the maximum possible penalty in order to meet a Jan. 22

deadline set by a U.S. bankruptcy judge for making claims against Texaco, and it may ultimately reduce the amount of back taxes it is seeking.

LAWSUITS

Trouble over Oiled Waters

When the supertanker *Amoco Cadiz* foundered in 1978, spewing 68 million gal. of crude oil over the beaches of Brittany, it created the worst petroleum spill ever to hit land. It also launched one of the world's stickiest legal battles. The French government and a host of other plaintiffs claimed \$1.6 billion in damages.

Last week, after a decade of wrangling, a U.S. district judge in Chicago ordered Amoco to pay \$85.2 million in damages and interest, the largest penalty ever assessed in an environmental case. Amoco called the sum excessive, and France's President François Mitterrand said the damages awarded "scarcely conform to the extent of the disaster." Both sides plan to appeal.

AIRLINES

Eskimo Face-Off

Look! Up in the sky! It's...uh...Muammar Gaddafi? Charles Manson? An Eskimo?

Since 1973, the face of a smiling, parka-clad Eskimo has adorned the planes of Seattle-based Alaska Airlines, which flies to 30 Western U.S. cities, from Anchorage and Juneau as far south as Tucson. Alaskans see the Eskimo logo as an unofficial state symbol, but others are often bewildered by it. Bruce Kennedy, chairman of the parent Alaska Air Group, complains that critics ranging from passengers to Comedian Jay Leno have observed that the Eskimo looks like Gaddafi, Manson, Abraham Lincoln, Willie Nelson or Johnny Cash. Tired of such comments, Alaska Airlines has announced tentative plans to replace the Eskimo on ice and to replace him with a stylized mountain peak.

Alaskans, though, are protesting the change, and this week the state legislature will vote on a resolution asking the airline to keep the Eskimo. Says State Senator Tim Kelly of Anchorage: "It may not be the best representation of an Eskimo, but it's ours and we feel very close to it."

ADVERTISING

Kiss That Job Goodbye

Neala Schleuning, director of the Women's Center at Mankato State University in Minnesota, was annoyed last fall when she saw an advertisement for the TV series *Dynasty*

displaying three female characters under the headline BITCH, BITCH, BITCH. She wrote to Fallon McElligott, the award-winning Minneapolis ad agency responsible for the promotion, objecting to what she called its "male gonad" style. That phrase riled an employee at the agency, which regularly does pro bono work for women's groups and organizations promoting children's rights. His response was, well, intemperate: a photo of what appeared to be an African child kissing the rear end of a cow and a cheeky suggestion that Schleuning might direct her energies to eradicating such practices. Then came another round of correspondence, in which Fallon McElligott sent Schleuning a pith helmet, a mosquito net and an offer to pay her expenses to Africa "one way." By this time, Schleuning had alerted the St. Paul-based Minnesota Women's Consortium, which mailed copies of Fallon McElligott's letters to the press and some of the agency's clients.

Fallon McElligott issued apologies to all concerned, but the gesture was too late. One of its biggest accounts, the U.S. WEST Bell telephone company, now says it will not renew its contract with the agency, valued as high as \$10 million annually. The reason: the BITCH, BITCH, BITCH affair. Said a satisfied Schleuning: "This is Fallon McElligott's worst possible nightmare come true. I couldn't have set this one up if I had tried."

Law

Stop the Student Presses

The Supreme Court says educators can censor school newspapers

The Bill of Rights isn't stamped "for adults only." The U.S. Supreme Court has said as much in the past, acknowledging that public school students do not give up their constitutional rights when they step onto school property. But the Justices have also recognized that the need for an orderly school environment sometimes imposes limits on those rights. In recent years, for example, the majority has voted to permit the search of student possessions without a warrant and has allowed school officials to suspend a student for making sexual innuendos in a speech. The Justices were in that mood again last week when, in a 5 to 3 ruling, the court upheld a high school principal's right to censor a student newspaper.

The case, *Hazelwood School District v. Kuhlmeier*, involved a publication called *Spectrum*, produced every few weeks by journalism students at Hazelwood East High School near St. Louis. In May 1983, Principal Robert Reynolds summarily ordered two articles deleted from the paper. One featured the experiences of three Hazelwood students who had become pregnant; the second dealt with the impact of parental divorce on students. Though the girls in the first piece were given pseudonyms, Reynolds believed that they were identifiable, that the article was too frank for younger students and that its overall picture of teenage pregnancy was too positive (sample quote: "This experience has made me a more responsible person. I feel that now I am a woman"). In the second article, a student complained that her father was "always out of town on business or out late playing cards with the guys." Reynolds objected that the piece failed to give the father's viewpoint.

Three students who worked on the *Spectrum* brought suit, alleging a violation of their First Amendment right to free expression. They had some reason to suppose that the courts might agree. In its landmark 1969 *Tinker* decision, the Su-



All the news the principal deems fit: current staffers of *Spectrum* at work

preme Court held that a school acted unconstitutionally when it suspended students for wearing black armbands to class in protest against the Viet Nam War. Schools may curtail those rights, the court ruled, only when the student expression substantially disrupts schoolwork or discipline, or invades the rights of others.

Writing for the majority in last week's case, Justice Byron White saw a distinction. While the First Amendment prevented a school from silencing certain kinds of student expression, he said, it did not also require a school actively to promote such expression in plays and publications produced under its auspices. White, who had joined the majority in the

Tinker case, ruled this time that educators may exert editorial control in such instances "so long as their actions are reasonably related to legitimate pedagogical concerns." Such concerns, he noted, might extend to work that is "poorly written, inadequately researched, biased or prejudiced, vulgar or profane, or unsuitable for immature audiences."

Justice William Brennan, in a dissent joined by Justices Thurgood Marshall and Harry Blackmun, strongly rejected the notion that school-sponsored speech was less worthy of protection than any other. He complained that the new ruling might permit school officials to censor anything that personally offended them. "The young men and women of Hazelwood East expected a civics lesson," he lamented, "but not the one the court teaches them today."

Educators were happy with the decision and discounted fears of a wave of high school repression. "The only thing this will do is make principals feel more comfortable in exercising control when they see it as necessary," says Ivan Gluckman, attorney for the National Association of Secondary School Principals. For his part, Principal Reynolds says he has no plans to increase his oversight of the *Spectrum*, and insisted that the paper would not shy away from sensitive issues.

Andrea Callow, the student who wrote the article on teenage pregnancy, was more concerned. "If student journalists want to write about a subject like teen pregnancy, they are going to be hesitant," says Callow, now a journalism student at the University of Missouri. The ruling is especially troubling, says Steven Shapiro of the American Civil Liberties Union, because there was nothing vulgar about the censored articles. "Here we are dealing with clearly serious and responsible student speech."

Ironically, the decision may help create the conditions for a feistier kind of student journalism. The court did not give schools the power to suppress independently produced student publications. The underground newspaper, a familiar sight in many schools 20 years ago, may be ripe for a comeback.

—By Richard Lacayo, Reported by Anne Constable/Washington

Battling Over Malpractice

Another skirmish erupted last week in the battle between lawyers and doctors over the skyrocketing cost of malpractice insurance. The spur was a suggestion made by the American Medical Association and other doctors' groups that medical malpractice cases be taken away from the courts. Instead, they would be decided by state boards that would have responsibility for disciplining doctors as well. The plan would also impose

strict guidelines on damage awards, including a cap on noneconomic damages such as those for "pain and suffering."

Lawyers' groups quickly denounced the idea as unconstitutional, a threat to the rights of patients and maybe just a bit fishy. For one thing, doctors themselves would sit on the proposed boards, though only as a minority of the membership. Said Eugene Pavalon, president of the Association of Trial Lawyers of America: "It strikes me as the equivalent of naming Ivan Boesky to head the Securities and Exchange Commission."

Small news from IBM.

Introducing a new low-priced, high-powered IBM Personal System/2.

It's called the Model 25, for short, and it comes with the power, graphics and quality that have made the IBM® Personal System/2™ family the acknowledged new leader in personal computing. What's more, it comes in a size that fits virtually anywhere and at a price that fits most any budget.

It's at home wherever you work.

Whether you work in an office, bring office work home or run a business from home, the Model 25 can help you keep up with correspondence, prepare proposals and balance budgets. It can also help you track inventory and handle your business and personal accounting as well.

The system works with the other members of the Personal System/2 family. And it was designed to run lots of the popular programs that are already

available for IBM Personal Computers.*

It's at home wherever students learn.

In the classroom, dorm and at home, students will love the easy-to-use design and spectacular graphics of the new Personal System/2 Model 25. Parents and school board members will especially love its small price.

It can get you great year-end bonuses.

If you buy an IBM Personal System/2 Model 25 or 30 before the year's out, you'll get a Software Sampler with 16 free programs—for word processing, personal productivity, education and more. And no matter which Personal System/2 you buy, you'll get great rebates directly from IBM on selected accessories and a wide range of software from IBM and other leading software companies. You may also qualify instantly for \$2,500 of IBM credit** with no payments due until February, 1988.

To find out more, just ask your participating IBM authorized dealer.

IBM Personal System/2	Model 25
Microprocessor	8086 8
Potential system throughput	More than 2 times IBM PC
Standard memory	512KB
Expandable to	640KB
Diskette size and capacity	3 1/2 inch 720KB
Expansion slots*	2
IBM Keyboard	Enhanced or Space Saving
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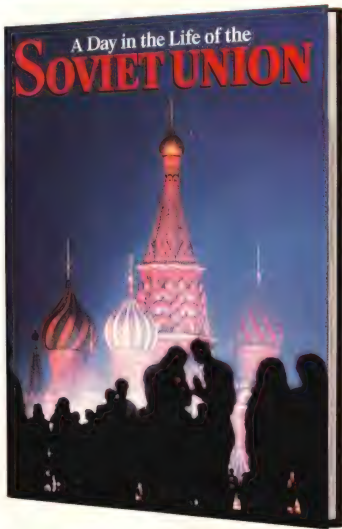
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Behavior

A Chilling Wave of Racism

From L.A. to Boston, the skinheads are on the march

In San Jose they threatened to hang a black woman who was attempting to enter a public park. In another Bay Area community, a teenage boy was thrown through a plate-glass window when he tried to stop a group of them from pasting up an anti-Semitic poster. In Chicago one of their leaders was indicted after a spree of anti-Semitic vandalism. The bizarre force behind the wave of racist incidents: skinheads, loosely organized groups of violent youths who may be emerging as the kiddie corps of the neo-Nazi movement. Declares Los Angeles Detective Michael Brandt bluntly: "They are a threat to the moral fiber of our society."

The rampage of young toughs is the latest manifestation of racial violence that has resurfaced during the Reagan years. In 1984 members of the right-wing terrorist group the Order assassinated Denver Talk Show Host Alan Berg, then went on a yearlong spree of robbery and destruction. In 1982 in Cleveland, a member of the racist group Aryan Nations murdered two blacks and a white man he mistakenly thought was Jewish. Last week the National Council of Churches warned that such violence had reached "epidemic proportions" in the U.S. The brutal tally between 1980 and 1986: 121 murders, 302 assaults and 301 cross burnings. Concluded the council report: "Bigoted violence has become the critical criminal-justice issue of the late 1980s."

The skinheads appear to be the spiritual heirs of old-line racist groups. Membership nationally is estimated at a thousand, and growing. While some of the youngsters are obviously disturbed, others are simply left-over punk rockers, eager to shock the adult world. Jerome Kirk, professor of sociology at the University of California at Irvine, believes that many skinheads just want to "get a rise out of straight grownups. Some of this has the same significance as the swastikas favored by bikers; it's a symbol. But what's behind it is much shallower than something like Nazism."

Still, members have been arrested for distinctly unsymbolic criminal vandalism and assault in California, Texas, Oklahoma, Illinois, Michigan, Florida and Massachusetts. Their makeshift uniform makes them recognizable everywhere: shaved heads and garish tattoos, flight jackets, black English work boots—and a California touch. Fred Perry tennis shirts. Skinhead culture seems to spread through racist rock music.



Loony tunes: affecting menace in California

Tapes and records by white-power rock groups feature songs such as *Nigger*, *Nigger* and *Prisoner of Peace*, the musical saga of Rudolf Hess. One group is called the Final Solution.

The movement's ideology seems to be equal parts fear, envy and self-contempt. Many skinheads talk vaguely about dark-

skinned muggers and immigrants' challenging patriotic white Americans for their jobs. Garth Edborg, 18, a skinhead from Huntington Beach, Calif., denies hotly that his group is racist or white supremacist, but rambles on about minority gangs and the "poison ideas on the streets" that come from other countries. Says he: "We mean to set things right with or without violence." William Gibson, a sociologist at Southern Methodist University, believes the "element of warrior fantasy" is strong among hate groups. Reason: they feel so abandoned by a changing America that they want to take matters into their own hands.

Clark Reid Martell, 28, of the Chicago Area Skin Heads, is a longtime racist recycled as a skinhead. He describes himself as a "born-again Nazi" converted by reading Hitler's *Mein Kampf*. He has a history of mental problems and scrapes with the law. Nine years ago, Martell joined the National Socialist People's Party but quit "because they didn't have any women members, and women are vital for ensuring survival of the white race." Many Chicago skinheads, however, despise Martell's neo-Nazi group. "They're a bunch of loonies who give the rest of us skinheads a bad name," says Jerry Bishop, 18. "Your normal skinhead is into a certain kind of music and clothes, but we don't go around beating up on people because we don't like their religion or race."

Even so, in the Chicago area skinheads have been linked to the defacing of a new Holocaust memorial and drawing swastikas in public places. Law enforcement officials are "taking this threat very seriously," says Terry Levin of the Cook County state attorney's office. Bhairi's Anti-Defamation League sounded the same theme.

In *Shaved for Battle*, a report on skinhead activities, the A.D.L. called for "careful monitoring" of the movement because of its "disturbing possibilities."

Some officials are concerned that neo-Nazi types could take over the movement. In California there is little question that skinheads have ties with established racist groups. Tom Metzger, a former Klan leader who now heads the White Aryan Resistance, tries to recruit among skinheads. His son John Metzger teaches skinheads how to organize. Says the younger Metzger: "It's not a fad. It's a movement and a reaction against what's going on." Maybe. But more than anything else, the skinheads are a frightening, pathetic reminder that the U.S. has not solved its racial problems—and that it is time the subject once more take a prominent place on the national agenda. —By John Leo.

Reported by Pat Karik/Chicago and Elaine Lafferty/Los Angeles



Born again: enthusiasts practice Sieg Heils in Chicago hangout

"Your normal skinhead is into certain music and clothes."

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THE *Heartbeat* OF AMERICA  TODAY'S CHEVROLET

Medicine

Plague of the Innocents

An alarming number of inner-city babies carry the AIDS virus

Just a few years ago, no one believed that AIDS, which seemed to strike mainly male homosexuals and intravenous drug users, could also attack children. Since 1981, however, doctors have reported more than 750 such cases. Now the news is even grimmer. Health officials last week announced the results of a study that showed an astonishing one out of every 61 infants born in New York City harbors antibodies to human immunodeficiency virus (HIV), the cause of AIDS. Says State Health Commissioner David Axelrod: "What is alarming is that this is a higher level of infection than we had considered to be likely within the overall community."

Last November, Axelrod ordered medical technicians throughout the state to begin collecting samples of blood from every newborn baby for one month. Of 19,157 infants delivered, 164 proved antibody-positive, meaning that their mothers almost certainly were infected. About 90% of the affected children were born in New York City. Previous surveys have indicated that many such mothers are poor, black or Hispanic women from neighborhoods where intravenous drug abuse is rampant, confirming a demographic pattern established by a similar study in Massachusetts published last year. Not all of these newborns, however, are doomed. Doctors estimate that more than half received only antibodies—not the virus itself—from their mothers during gestation. These lucky ones will not develop AIDS. The others, however, will eventually sicken, most before the age of two.

In an attempt to combat further spread of AIDS, Axelrod has written to New York State's 50,000 physicians, including obstetricians and gynecologists, recommending that they routinely counsel all women of childbearing age about the risk of AIDS. The letter urges that all women in the early stages of pregnancy, or even considering pregnancy, be tested. Radio and television campaigns, brochures and posters are also in the works. "The studies are telling us the extent to which AIDS has spread within the community, particularly the intravenous drug-abusing community," Axelrod argues. "We have to look at every preventive action we can, including the distribution of condoms."

The New York report comes at a time when researchers are trying to broaden the definition of the deadly syndrome to include all of the damage that can be



Uncertain future: infected mother with her child in Harlem

caused by HIV infection, not just terminal AIDS. A textbook case of AIDS, involving Kaposi's sarcoma or *Pneumocystis carinii* pneumonia, represents only the tip of the iceberg. Epidemiologists estimate that for every person with AIDS, there may be as many as ten more suffering from other illnesses caused by the virus. "The real disease starts when you be-

come infected with HIV," says William Haseltine, chief of biochemical pharmacology at the Dana-Farber Cancer Institute in Boston. "AIDS is just the most severe manifestation of that disease, but there are many more, and they can kill you too."

As a result, doctors at the Walter Reed Army Institute of Research in Washington have divided the infection into six progressive stages based on the level of destruction inflicted by the virus on the immune system. In Stage 1, a person is infected but does not have chronically swollen lymph nodes; the immune system still seems normal. By Stage 6, however, the body's defenses have collapsed; normally harmless bacterial and viral infections become life threatening. According to Dr. Robert Redfield of Walter Reed, a person can have Kaposi's sarcoma at any stage. Whether or not the victim survives depends on the stage of the infection.

Unfortunately, at least 90% of individuals suffer damage to their immune systems in the first three to five years of HIV infection, although AIDS may not show up for as long as a decade. "This forces us to change our focus from certain high-risk groups and AIDS to the grim reality that the full extent of the virus infection today will not be recognized until the end of the century," Redfield concludes. "The AIDS epidemic of the late 1990s has already happened." Even more sobering, health officials know exactly where it will strike: the drug-infested Roxbury, Bedford-Stuyvesant and South Bronx of the nation's inner cities. —By Christine Gorman. Reported by Joanne McDowell/New York

Try a Little Aggression

Contrary to what most doctors recommend, reducing stress and aggravation may not necessarily prolong life. The *New England Journal of Medicine* reported last week that Type A individuals, so classified in part because of their aggressive personalities, are nearly twice as likely to survive a heart attack as laid-back Type B's. One possible reason: Type A's may be more compulsive about taking action to curb harmful smoking, drinking and stress after an attack. Nonetheless, says Re-

searcher David Ragland of the School of Public Health at the University of California, Berkeley, "the results were very surprising."

Scientists have hotly debated the link between Type A behavior and heart disease since it was proposed in the 1950s. San Francisco Cardiologist

Meyer Friedman, who helped devise the Type A concept, thinks the finding of the Berkeley study of 257 men with heart disease is dangerous. "A cardiologist would never tell a patient to go out, get upset and raise his blood pressure," he fumes. "In effect, that's what they are saying." Still, blowing off steam may be just what the doctor ordered. But will it lower life insurance premiums?



Stress: friend or foe?



The mogul at his Toronto flagship theater, fulfilling his pledge to "upgrade moviegoing and ask the customer to pay for it"

Show Business

Master of the Movies' Taj Mahals

Exhibitor Garth Drabinsky has it all, and now he wants more

The manager patrols the lobby in a tuxedo; you half expect him to murmur, "Good evening, m'sieur," as you stroll by. Paintings of the High Tasteless school adorn the walls. Tea is being served—14 different blends—on Rosenthal china. Perhaps madame would care for carrot cake, or a *latte macchiato*, or some nice kosher chocolates. Perhaps m'sieur and madame would also like to walk through the doors at the back of the lobby and catch Eddie Murphy *Raw*. For this is not the Stork Club or the Waldorf in a scene from some posh old Hollywood romance. It is a movie house in Toronto or New York City or Los Angeles. It is surely a clue to the way Garth Drabinsky—the dynamic, disputatious boss of the Cineplex Odeon theater chain—wants you to see movies.

For decades, film exhibition was, as Industry Analyst Paul Kagan notes, "essentially a Rip Van Winkle business." Exhibitors let their urban theaters decay into rancid zoos, with crummy projection and that mysterious glop that makes your shoes stick to the flypaper floor. Or they sliced handsome old palaces into tiny tenement cinemas, where SRO could mean not standing room only but single-room occupancy. In the suburbs the exhibitors moved into malls, where their "plexes" had all the charm of welfare clinics. The malls may have saved movies, bringing picture houses into bustling new neigh-

borhoods, but the salvage job was short on pizzazz. No wonder the studios, legally barred since 1948 from owning theaters, were exploiting the laissez-faire mood of the Reagan Administration to buy up theaters and get back into exhibition. The exhibitors couldn't hack it.

And then out of the north rode one who could. "Garth Drabinsky is both a showman and a visionary," Kagan says. "There were theater magnates before him, but none who radiated his charisma or generated such controversy." In 1979 the Toronto native co-founded Cineplex with 18 theaters. Today it is the largest chain in North America, with 1,643 "screens" (nobody calls them theaters any more) and 14,500 employees. Revenue has quintupled in five years; profits have doubled in a year. Drabinsky did it with street fighting and upscale smarts. In his first Los Angeles venture, for example, he reversed the usual trend and created a mall around his theater: restaurants, night life, more business. Good business.

With all these profits, and all those restaurants, the man is still hungry. Last year Cineplex Odeon expanded into distributing such films as Prince's *Sign o' the Times* and Paul Newman's *The Glass Menagerie*. A TV production arm will make 41 episodes of *Alfred Hitchcock Presents*. The company's Northfork division will finance five films produced by Robert Red-

ford. In partnership with MCA Inc., which owns 49% of Cineplex Odeon, Drabinsky will help run Universal's proposed Florida theme park. Hollywood, star struck by the 39-year-old whiz kid, is whispering that Drabinsky may succeed Sidney Sheinberg, another tough customer, as president and chief operating officer of MCA. "I'm not saying we don't have run-ins," says Sheinberg, "but it's the pushing and shoving of brothers."

Drabinsky's Cineplex is a one-man marching band. No one can speak for the company but the boss. He logs half a million miles a year, inspiring the troops and scouting new acquisitions. The guy never rests, and when he does, he pays for it. Three weeks ago, while on a rare vacation with his wife and two children in Antigua, Drabinsky broke his arm. "totally, plate through." A quick bone grafting and plate insertion, and he was back in business. "It hurts, sure," he says, "but I like to get on."

Cineplex Odeon has fulfilled Drabinsky's promise to "upgrade moviegoing to the greatest extent possible and ask the customer to pay for it." You will pay for the tuxedos and the yuppie snacks and the crisp Lucasfilm THX sound system. In Manhattan Cineplexes, you will pay \$7—a price tag that has stoked public and official outrage. This week the New York State Assembly is expected to pass a measure that would require exhibitors to print admission prices in all newspaper ads and thus encourage theater owners to keep their costs down. Drabinsky is unmoved by the hubbub. The alternative to the \$7 ducat, he says, is "to continue to expose New Yorkers to filthy, rat-infested envi-

ronments. We don't intend to do that."

In an effort to create an image of Cineplex Odeon as the class act of exhibitors, Drabinsky has spent \$30 million spiffing up his 30 Manhattan venues. But he has earned at least that much in negative press with the ticket hike and with last September's shuttering of the Regency, the city's treasured revival house. There was a rally and a petition with 30,000 signers. To Drabinsky, the protesters were "publicity seekers" and their pleas "absurd." He plans to showcase revivals at a smaller midtown theater. "We made the Regency a lot newer, and it will gross almost four times as much in its first year." Not a man to be convinced that the Regency was the stuff that dreams are played in. The visionary showman sounds here like an old-time movie villain—a Darth Drabinsky—or an urban-renewal slumlord wondering why the family inside doesn't want its home bulldozed.

Drabinsky has never shied away from a fight. As a child with polio, he had to fight for his life; he still walks with a limp. In Cineplex's early days, he barely averted bankruptcy when Canada's reigning circuits, Famous Players and Odeon, pressured distributors to withhold first-run films from the fledgling company. But in 1983 Drabinsky, a lawyer who had written a standard reference on Canadian motion-picture law, convinced the courts that Famous and Odeon were engaging in restraint of trade. A year later he bought the Odeon chain, but his battle with Famous still rages. Recently, he purchased half of a '20s Toronto movie palace and restored his section to its original rococo splendor. Famous owns the other half, through legal maneuvering Drabinsky has kept that portion shut. One day, to enforce his will, he dispatched several armed guards with Dobermans.

Will Drabinsky's pit-bull perseverance play in Hollywood? Already he has tangled with one of the major studios, canceling 140 play dates of Columbia's *Leonard Part 6* after the studio "broke its commitment to us" and pulled *The Last Emperor* from Cineplex theaters. The air thickened with threats, and as of now, Drabinsky says, "the two corporations are not doing business together." Viewing all these skirmishes, one industry solon is impressed but skeptical. "Drabinsky is very bright and articulate," he says, "but he's also very arrogant. Other exhibitors watch from afar as he builds his Taj Mahals. The next few years will be the tell-tale heart. Can he handle theater expansion, film and TV production and distribution, and run the theme park as well?"

Hollywood—and America—may be faint of telltale heart. Drabinsky isn't, though. He knows that his toughest competition is himself. Ah, but what if a younger, hungrier showman comes along? No sweat. "If there's a young Garth Drabinsky out there," says Drabinsky, "A) he's welcome to try, and B) I'd probably hire him." —By Richard Corliss. Reported by Elaine Dutka/Los Angeles, with other bureaus

Theater

All's Well That Begins Well

Midsummer Night's Dream launches Papp's Shakespeare cycle

The era of the impresario is all but ended in the commercial theater. Practically everything that comes to Broadway nowadays is funded by committee and imported wholesale from somewhere else. Off-Broadway, however, the American theater's boldest, most ambitious, quirkiest, most pedantic and at times most infuriating showman holds sway more forcefully than ever. Joseph Papp has built, at the New York Shakespeare Festival, a personal barony more than an institution. Although he sometimes describes his \$14 million annual operation as the biggest "regional" theater in the nation, its six-theater complex and staff of 125 stand in the shadows of his outsize personality and mer-

Sheen, each working for \$400 a week. Papp is lining up Meryl Streep and Kevin Kline for *Much Ado About Nothing*, perhaps at the open-air Delacorte Theater in Central Park, where he regularly mounts a summer season. And *A Midsummer Night's Dream*, whose opening last week officially launched the series, features F. Murray Abraham (Oscar winner for *Amadeus*), Elizabeth McGovern (*Ragtime*, *Ordinary People*) and Carl Lumbly (TV's *Cagney and Lacey*).

Director A.J. Antoon has placed the action in Bahia in northern Brazil at the turn of the century. The play's divisions between city and forest, between earthbound mortals and ethereal spirits thus become



Toussaint as Titania: the whites stumble, the aborigines dance and cast spells

curial but galvanic enthusiasms. Over the years Papp, 66, has brought live drama to prime-time network TV, invaded Broadway with musicals (*A Chorus Line*, *Pirates of Penzance*, *Drood*), introduced new playwrights and plays from David Rabe (*Streamers*, about Viet Nam) to Keith Reddin (*Rum and Coke*, about the Bay of Pigs invasion) and provided stage-acting challenges for Hollywood stars including Robert De Niro and William Hurt.

Last week Papp unveiled what he described as his biggest project yet: a six-year, 40-show plan to stage the complete plays and poetry of the writer to whom he has remained unwaveringly committed throughout all his kaleidoscopic activity, Shakespeare. Said Papp: "There are fewer new plays I want to do, audiences are enthusiastic for these classics, and actors need to play these parts to become great."

Actors seem to agree. *Julius Caesar* is in rehearsal with Al Pacino and Martin

racial differences as well. White colonial masters stumble through the enchanted wood uncomprehendingly, while brown and black aborigines, attuned to the realm of magic, dance to throbbing Afro-Brazilian music and cast voodoo spells.

The transplanting does no violence to Shakespeare's intentions, although some of the erratically varying performances do. Among the high spots: Lumbly's liltily Caribbean and muscular Oberon and Lorraine Toussaint's Titania, his equal in dignity and a nonpareil in languorous erotic indulgence. Bottom (Abraham) and his pals, the "rude mechanicals," are for once believable working men, unpatriotically evoked if, alas, therefore a little less funny than usual. This *Midsummer* will not stand in memory with Peter Brook's 1971 landmark staging or Liviu Ciulei's 1985 war of the sexes. But it is a vibrant start to a welcome project. —By William A. Henry III

Art



Ryūzaburō's *Nude with Fans*, 1938, and Tetsugorō's *Self Portrait with Red Eyes*, 1912: In a world enlaced with tradition, portents of renewal

Japanese with a French Accent

A show traces what Nippon's painters took home from Paris

The winter's main show at Manhattan's Japan House Gallery, "Paris in Japan," is not popular stuff. Its subject looks almost quaintly peripheral. It sets out to describe the impact of French art on Japanese artists who went to Paris between 1890 and 1930, the highest years of French influence on world culture. It does not contain a single masterpiece; almost everything in it is derivative, and not always very intelligently so. One would not normally cross the street to see earnest Japanese pastiches of Renoir, looking like inflamed rubber dolls. The only artist in it whom anyone in America is likely to have heard of is Fujita Tsugui, he of the sinuous, minutely penciled studio nudes whose prices seemed so excessive when the Japanese started buying them back at auction 15 years ago. And yet, against all the odds, this is a fascinating show—one of the most curious spectacles of cultural relativity in recent memory.

The subject is not without its ironies. The Belle Époque also saw the high-water mark of Japanese influence on French painting and decorative arts. The Western taste for lacquer, fans, screens and wood-block prints that began soon after Commodore Perry sailed into Tokyo Bay in 1853 had become a mania in Paris by

the 1890s. Japonism was all the rage. "I envy the Japanese the extreme clearness which everything has in their work . . . They do a figure in a few sure strokes as if it were as simple as buttoning your waistcoat." It is Vincent van Gogh writing from Arles, in his room at the Yellow House, hung with Japanese prints.

Perhaps it was natural that Japanese artists should return the compliment; anyhow it was inevitable, once the traditional isolation of Japan was broken by the Emperor Meiji's decree, in 1868, that "knowledge shall be sought throughout the world." As J. Thomas Rimer points out in a fascinating catalog essay to this show, the teaching of Western art in Meiji Tokyo began in 1876 mainly as a "scientific" discipline. But before long the bizarre techniques of the mysterious Occident developed their own momentum for Japanese artists, and particularly the Western way of depicting forms by smearing a kind of sticky, slow-drying mud on cloth, rather than using ink and water on silk as Chinese and Japanese masters had done for millenniums. When the Tokyo School of Fine Arts opened in 1887, its American co-founder, the "Boston bonze" Ernest Fenollosa, insisted that it teach only traditional Japanese techniques. But by 1896 most of

its students were petitioning to learn oil painting, and a Western department had to be set up; thereafter, it was the most popular part of the school.

Like the young Japanese designer today who dreams of retracing Issey Miyake's path to New York City, students in Tokyo then yearned for Paris, the capital of modernity. By the turn of the century there was a tenacious Japanese painters' colony in Paris, and the big academic teaching studios that catered to foreign students—Cormon's, Carolus-Duran's, Collin's—all had, in addition to their stock of Americans, a number of Japanese students. Many of the students would have preferred to study with the new masters whose work was creating a modernist sensibility, but Van Gogh was dead, and Picasso did not teach.

In learning about the Ecole de Paris, the Japanese visitors were facing severe odds. Nothing in their culture had prepared them for the Western modernist ethos. They came from a world enlaced with traditional forms, in which the idea of an avant-garde was barely conceivable and the notion of radical renewal seemed like cultural parricide. Terms like expression and the self had quite different loadings in Paris and in Tokyo. The rapid change of styles in Paris—fauvism, cubism, expressionism, surrealism—was bewildering. But they seemed portents of

Science

Light at the End of the Cosmos

With infrared detectors, astronomers spy ancient galaxies

cultural renewal, so even with Japanese who were painfully aware that their country had a name in Europe for imitation, not invention, the need overran the obstacles. "Of course one has to imitate," remarked one old Paris hand, a Western-style painter named Mitsutani Kunishirō, in 1931. "Even if we want to create works that are uniquely Japanese, we still need to look at Western paintings in order to supplement our own deficiencies."

It was not easy for the artists' families, who had to endure the discomforts of the journey and then, somehow, acclimatize themselves to the utter unfamiliarity of French life. One senses a feeling of doom beneath the stoic words written by Yoneko, the wife of Saeki Yūzō, who spent two sojourns there: "After returning to Japan, my husband, it seems to me, was constantly thinking he could only accomplish the task remaining to him during his life by going back to Paris in order to paint the soiled walls and loosely-fixed posters he found on the back streets." Saeki today is a culture hero in Japan, a Van Gogh-like figure who killed himself in a fit of despair over his art at the age of 30 in 1928—a strange freak of reputation for a painter whose work seems not much more than sensitive pastiche of those two archboreds of the École de Paris, Maurice de Vlaminck and Maurice Utrillo.

In general the Japanese in Paris were conservative in their taste, preferring as models Renoir and Monet to Picasso. Some of the high points of this show are conservative in the best sense, such as Kishida Ryūsei's superrefined *Still Life (Three Red Apples, Cup, Can, Spoon)*, 1920, in which the Japanese passion for *wabi*—unfused, natural simplicity—finds its way into a still-life scheme inherited from André Derain. When Umehara Ryūzaburō went to extremes in 1938 with *Nude with Fans*, the limbs drawn in thick dissonant red and green lines, his prototype was Matisse's work of 30 years before. Occasionally one picks up some shadows and echoes of cubism—a broken plane here, a little faceting or transparency there—but in general the Japanese seem to have avoided it, with one exception: Yorozu Tetsugorō (1885-1927). The self-styled wild man of the Japanese expatriates ("I am a kind of walking aborigine," he proclaimed), Yorozu ran through Van Gogh and fauvism and, after returning to Japan in 1907, arrived at a frenetic mixture—synthesis is not the right word—of expressionism and cubism in works like *Self Portrait with Red Eyes*, 1912.

One may find such experiments naive, but beware. This show has a message in it, like a rock in a snowball. What do the invariably polite Japanese really think of the dozens of American artists in the past few decades who have tried to adopt the forms, or at least the rhetoric, of Zen brush painting? What do Americans' earnest spoutings about calligraphy, meaning any aesthetic scribble, convey to real calligraphers? Provincialism is a two-way street.

—By Robert Hughes

When University of Arizona astronomer Richard Elston first aimed a newly assembled infrared-light detector at the heavens last spring, he was hoping to find objects so faint that they had never been seen by human eyes. Almost at once, his specially equipped telescope picked up something astronomers have been seeking for years. Last week Elston and two colleagues announced at an American Astronomical Society conference in Austin that they had found what appeared to be primeval galaxies some 17 billion light-years from earth—so far away in both space and time that they seemed to be poised at the edge of the universe.

If the discovery is confirmed, it will be one of the most important in the history of astronomy. These galaxies will provide a missing evolutionary step between the big

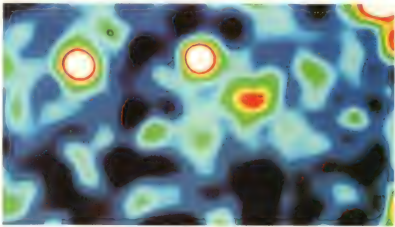
bang, when the universe began, and the mature cosmos that is observable today. Though there is no final proof yet, many astronomers find Elston's circumstantial evidence convincing. Says Patrick McCarthy, an astronomer at the University of California, Berkeley: "This is a very good bet. If they can prove it, it will open a number of theories on the formation of large-scale structure in the universe." Declared Hyron Spinrad, another Berkeley astronomer, more simply: "If true, it's spectacular."

The find would have been impossible without a new generation of infrared detector chips developed by Rockwell International for the military. "Other astronomers have similar setups," says Elston, "but we got ours going first. The rest are undoubtedly going out to find these objects now."

Primeval galaxies resembling the ob-

jects Elston found have been postulated by astronomers since the late 1960s. Most scientists regard the fact that he stumbled over the reddish sources of light within a randomly chosen tiny section of sky as evidence that the galaxies actually exist. Reason: similar bodies "should be all over the place," as Elston puts it, in our galaxy-filled universe. Moreover, Elston and his team took a second look at the suspected galaxies without the aid of the infrared device and found them about 20 times fainter in ordinary, visible light. The difference in brightness and the location of that difference on the electromagnetic spectrum make sense to astronomers: a newly formed galaxy would give off just such a light signature as it rushed away from earth in the general expansion of the universe.

If the distant objects are really galax-



Infrared image shows two nearby stars and, far beyond, the reddish primordial galaxy

—By Michael D. Lemonick/Austin

Video

How TV Got from There to Here

TELEVISION PBS: Mondays beginning Jan. 25 on most stations

All right, everybody, ready for a trip down TV's memory lane? You know the landmarks. Milton Berle and the Men of Texaco. Lucille Ball and the vat of grapes. Edward R. Murrow lashing out at Joe McCarthy on *See It Now*, and Walter Cronkite interrupting a soap opera to report the death of John F. Kennedy. Carlton Fisk coaxing his home run into fair territory in the 1975 World Series, and the U.S. hockey team striking gold in the 1980 Olympics ("Do you believe in miracles?"). J.R. Ewing getting plugged on *Dallas*. Archie Bunker shouting insults at Meathead, and Richard Nixon saying goodbye to politics—twice.

Sixty years after crude signals began emerging from America's first regularly transmitting station, in Schenectady, N.Y., TV has stopped to take its longest, most comprehensive look at itself. *Television*, a series of eight hour-long documentaries exploring the medium's history, originated as a 13-part program on Britain's Granada Television. It has been adapted and Americanized under the aegis of two PBS stations, Los Angeles' KCU and New York City's WNET. Roughly two-thirds of the material in the U.S. version is new, including clips, interviews with key figures from TV's past and narration by former NBC Newsmen Edwin Newman.

The aim is nothing less than a definitive survey of the nation's most pervasive and powerful communications medium. It is a venture rich with possibilities and fraught with pitfalls. TV has traded so wantonly in its past—from documentary retrospectives on the so-called Golden Age to those proliferating "reunions" of old series—that each new look backward has a tougher job justifying its existence. Dusting off the old kinescopes again is not enough. "All too often," Newman comments at one point, "television is an eye but not a brain." Unfortunately, the same is true of this briskly watchable but ultimately disappointing series.

To be sure, there are marvelous moments, lots of them. Executive Producer Jack Sameth and Writer/Co-Producer Michael Winship have done an impressive job of excavation. Along with the familiar highlights are dozens of more obscure nuggets: the antiquated newscasts of John Cameron Swayze and Douglas Edwards, when stories were illustrated with childlike drawings or photos held up to the camera by the anchorman; Ronald Reagan doing a Mortimer Snerd impression as the mystery guest on *What's My Line?*; Vladimir Zworykin, one of TV's technological pioneers, being interviewed by former Radio Announcer Ben Grauer

in a 1948 oddity called *The Story of Television*. "Ben," says Zworykin, in heavily accented English, "it is like fever. When the television bug bites you, you never can stop working on it."

The series makes some of its most provocative points in two episodes devoted to TV news. Simply by its presence,



Walter Cronkite at the news desk, 1968



Dallas' Linda Gray and Larry Hagman, 1979



Carroll O'Connor as Archie Bunker, 1971



LeVar Burton stars in *Roots*, 1977

television sometimes exaggerated the scope of 1960s street demonstrations: a "mob" looks more threatening in closeup, we are shown, than when the camera pulls back to reveal the relatively small number of people involved. There is much fascinating footage of John F. Kennedy's and Richard Nixon's TV appearances, illustrating once again how friendly the medium was to one, cruel to the other. Nixon's "Checkers" speech, one of his rare TV triumphs, is included, of course—but not just the familiar passage about Pat's "Republican cloth coat"; also Nixon's closing words, when he leans stiffly into the camera and intones, "Remember folks, Eisenhower is a great man..." just as time runs out.

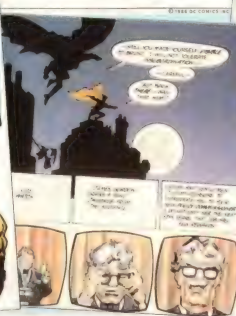
Television gets high marks for inclusiveness, with few notable omissions (cable gets short shrift, and commercials are mentioned only in passing). Organization, however, is a problem; too often it seems arbitrary or wrongheaded. An episode about TV drama contains no mention of *Roots*, the highest-rated mini-series in history; it shows up later in a section on TV and race. ABC's decision to pair Howard Cosell with Don Meredith on *Monday Night Football* is examined for several minutes in the opening program, yet *Sesame Street*, possibly TV's single most important contribution to American society, is tucked into the last ten minutes of the final episode.

What is missing from *Television* is a critical point of view or guiding theme—or, indeed, anything that would lift the series above a mere catalog of Great Moments from TV's Past. The uninspired narration does little more than scout us from one clip to the next ("Dragnet was the first hit police show. It has been followed by a succession of cop shows."), with little insight into how the medium got from there to here. The series focuses, wisely, on programming rather than the business of TV, still, somewhere amid the clips of Sid Caesar and Jackie Gleason and *Playhouse 90*, one longs for at least some discussion of how networks came into being. Nor is there much of a global perspective: despite a few glimpses of TV in Britain, Japan and elsewhere, the program offers no explanation of why TV developed so differently in the U.S.

Images do have a way of pushing out ideas on television, but that is no excuse for the intellectual flabbiness of *Television*. The series concludes with a sober-minded examination of whether the medium has fulfilled its "promise," which here seems to be identified with opera, ballet and Richard Burton reading selections from Dylan Thomas. So much for all those fun clips of sitcoms and game shows we have been watching for seven-plus hours. *Television* induces us to wallow in nostalgia, then tries to make us feel guilty about it.

—By Richard Zuglin

Books



The Passing of Pow! and Blam!

Comics grow up, get ambitious and turn into graphic novels

You may still recognize him. He remains solid for a guy of advancing middle age, even if there is a little thickening around the middle, some slackening under the firm jawline. Sartorially, as ever, his daywear is conservative, the evening wear outrageous: long flowing cape, high midnight-blue boots, tights that fit closer than epidermis and, across his chest, the shadow of a black bat, ascendant.

Batman may look the same, but he has never acted quite this way. Grimly going after wrongdoers, he is part avenger and part vigilante. While some citizens cheer, others denounce him as the Bernhard Goetz of Gotham City, and the police commissioner issues a warrant for his arrest. He is not only a hero for a more cynical time, but the standard-bearer of a fresh form of imaginative fiction. In 1986, when Writer-Artist Frank Miller created his formidable Batman epic *The Dark Knight Returns* (Warner; 188 pages; \$12.95), he conceived the adventure as a single narrative flow. Pictures went with the story, which was told like a movie in panels on paper. By strictest definition, that made *The Dark Knight Returns* a comic book, but that term, with its unfortunate suggestions of arrested adolescent development, did not accommodate either the breadth of Miller's story or the height of his ambition.

Something was stirring, all right, not only in the Batcave but also on the fringes of cultural experimentation. There another writer-artist, Art Spiegelman, brought forth *Maus*, a black-and-white line-drawn memoir of Hitler's Germany, where the Nazis are cats and the Jews are mice. Like *The Dark Knight Returns*, *Maus* (Pantheon; 159 pages; \$8.95) came out in 1986. Warner has 80,000 copies of *Knight* in print. Pantheon reports that *Maus*, after eight printings totaling more

A mix of mini-series and film noir: *Ninja Turtles*, *Dark Knight* and *Rocketeer*

than 100,000 copies, still sells an average of 1,000 a week. Spiegelman's tale is a hellish metaphor for history; Miller's is an evocation of pop apocalypse. Spiegelman draws simply, with calculated primitivism, while Miller is a boisterous stylist whose pictures dazzle, pummel, streak past the eye. The books have nothing in common except their success and a term that has been coined to describe them and others that are breaking off the newsstands and comic specialty shops and invading bookstores: graphic novels.

"That's just a sexy handle," says Pantheon Senior Editor Tom Engelhardt. "You take a little from a TV mini-series, a little film noir and a little Burroughs and call it a graphic novel." Call it commercial too. In Europe graphic novels command 10% of the book market. At Waldenbooks, the nation's largest bookseller, they are being given prominent display. Says Margaret Ross, manager of Waldenbooks' magazine department: "We thought they could bring in people we wouldn't usually see—from early 20s to early 30s, science-fiction and comic collectors, well educated." Writer Alan Moore, author of *Watchmen* (Warner; 384 pages; \$14.95) and *Saga of the Swamp Thing* (Warner; 161 pages; \$10.95), puts the age range higher. From the nine- to 13-year-old audience he began with in the early '80s, he says, he has shifted to 13

Watchmen's dysutopian world of the near future



Books

through 40. "People," he observes, "are beginning to take comics seriously."

This has created a heady climate of creative liberation. Spiegelman's New York City-based *Raw* magazine publishes some of the more outré work in graphic narrative, including the psychotic and hilarious misadventures of a couple of pen-and-ink Easter Island profiles named Amy and Jordan, chronicled by Mark Beyer. Pantheon has just issued a collection of their tribulations in book form, aptly titled *Aeony* (173 pages; \$7.95). Out on the West Coast, the work of the brothers Gilbert, Jaime and Mario Hernandez appears in books bearing the title of the comic in which they originated, *Love and Rockets* (Fantagraphics; \$10.95 each). Los Bros Hernandez, as they sometimes bill themselves, share a fluid style embracing both the extravagances of pulp epic and the flat-light simplicity of vintage Archie comics. Dave Stevens' *The Rocketeer* (Eclipse; 70 pages; \$19.95), set in the '30s, teems with robust adventure and romantic misalliance, all drawn in the scrumptious Sunday-funnies style of Milton Caniff. And the three volumes titled *Teenage Mutant Ninja Turtles* (First Publishing; \$9.95 each) sport with the whole genre, portraying a quartet of Testudinatus, trained by a wise rat in the refinements of Japanese martial arts, as they swing through various U.S. metropolitan areas righting wrongs and creating mischief.

Graphic novels use, as the comics have for some time now, a whole battery of movie techniques. An artist like Miller or Dave Gibbons, who worked on *Watchmen* with Moore, can storyboard a room, a cross-fade, a jump cut or a lap dissolve with a deft immediacy that would beat many directors at their own game. Indeed, for anyone used to working the controls on a Laserdisc or VCR, freezing the frame or strobing the action, the expansive technique of graphic novels will seem comfortable and accessible.

Too often, as Critic Mikal Gilmore points out, graphic novels still tend to be "overblown bad comics, using fancy paper to do bad stories." But a work like *Watchmen*—by common assent the best of breed—is a superlative feat of imagination, combining sci-fi, political satire, knowing evocations of comics past and bold reworkings of current graphic formats into a dystopian mystery story. It is as engagingly knotty and self-referential as *The Name of the Rose*, but instead of monks doubting their faith, here are superheroes weighed down by their creed, caught in a world they never made but that is remaking them, and showing no mercy. *Watchmen* has been attracting some heavy Hollywood attention. But a book of this scope can only be scaled down and confined on a screen, no matter how lavishly it is adapted. Graphic novels are cinema for the page, but they are already outstriking the medium they have learned so much from. —By Jay Cocks.

Reported by John E. Gallagher/New York

Gadfly's Guilt

THE TRIAL OF SOCRATES

by I.F. Stone

Little, Brown; 282 pages; \$18.95

In its impact on the minds and emotions of Western man, it is an event that can be compared only to the Passion and death of Jesus. After a lifetime devoted to the pursuit of truth and virtue, Socrates, at age 70, is put on trial, charged with dishonoring the gods and corrupting the youth of Athens. The sage makes an eloquent plea in self-defense but is nonetheless found guilty and condemned to die. His disciples urge him to escape into exile, but Socrates refuses and carries out the court's decree by drinking a cup of poison hemlock.

This powerful and moving story has

was guilty) on the penalty. Socrates' speeches at his trial, as recorded in Plato's *Apology*, still have the magic to move readers, but they clearly failed to persuade his contemporaries. Stone calculates that the votes were 280 to 220 for the guilty verdict, 360 to 140 for the death penalty.

According to the *Apology*, Socrates admitted that a guilty verdict "was not a surprise." Why so? Stone concludes that the sage, tired of life, did not wish vindication and went out of his way to antagonize the jury. Among other things, Socrates boasted that the oracle at Delphi had said of him, "No man was more free than I, or more just, or more prudent." As Stone comments, "Socrates looks more like a picador enraging a bull than a defendant trying to mollify a jury."

To Stone, the shame of the trial is that a "city famous for free speech prosecuted a philosopher guilty of no other crime



Socrates' death (by Jacques-Louis David): Sage or pro-Spartan snob?

always been surrounded by mystery: Why would Athens, the cradle of democracy and free speech, prosecute its most famous philosopher? Accounts of the trial by Plato and Xenophon, both disciples of Socrates, suggest that the Athenians were simply tired of being prodded toward virtue by a self-styled gadfly. Retired Journalist I.F. Stone, something of a gadfly himself, has a different, iconoclastic answer. In this engaging ramble through Hellenic history and philology, Stone argues persuasively that the beloved Socrates was in reality a coldhearted, elitist, pro-Spartan snob who was openly contemptuous of Athens' vaunted democracy and favored totalitarian rule by a philosopher-king. Bloody political coups led by two of his best-known students, Alcibiades and Critias, overthrew democratic governments in Athens in 411 and 404 B.C. The threat of a third coup in 401, Stone argues, triggered Socrates' trial, which took place two years later.

In Athenian criminal proceedings, ordinary citizens presented the charges, and the 500-man juries voted twice: first on guilt or innocence, and then (if the verdict

than exercising it." But Socrates could easily have won acquittal, the author asserts and, in a charming exercise of historical imagination, composes the kind of speech the philosopher should have made. In essence, Stone contends, Socrates could have argued that Athens was on trial, not he. As his jurors knew well, he did not believe in free speech or democracy—but they did. How then could they boast of those beliefs if they suppressed his right to express a contrary opinion?

The Trial of Socrates is, in the best sense of the term, a work of amateur scholarship. Heart trouble, compounded by failing eyesight, forced the author to close down his leftist muckraking journal, *I.F. Stone's Weekly*, in 1971. He planned to write a history of freedom of thought, a project that inexorably led him back to ancient Athens. Classicists may quibble with some of Stone's jaunty conclusions. But lay readers, for whom the book is intended, should find it instructive that the quizzical skills Stone honed while poking holes in Pentagon propaganda apply equally well to the protective prose of Socrates' adoring disciples. —By John Elson

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Milestones

BORN. To **Lynda Carter**, 36, statuesque actress who played the title role in the TV series *Wonder Woman*, and her husband, Washington Lawyer **Robert Altman**, 40; their first child, a son; in Washington. Name: James Clifford. Weight: 7 lbs.

DIED. Gregory ("Pappy") **Boyington**, 75, celebrated World War II flying ace whose account of commanding the elite Black Sheep squadron inspired the 1976-78 TV series *Baa Baa Black Sheep*; of cancer; in Fresno, Calif. Boyington downed 28 enemy aircraft in Asia and the Pacific, winning the Congressional Medal of Honor and the Navy Cross. After a difficult adjustment to civilian life, including a bout with alcoholism, he published his memoirs in 1958.

DIED. **Sean MacBride**, 83, Irish statesman and international human rights activist, and the recipient of both the Nobel and Lenin Prizes for Peace; of pneumonia; in Dublin. The son of John MacBride, who was executed by the British for participating in the famous 1916 Easter Rising in Dublin, and Maud Gonne, a beauty who inspired Poet William Butler Yeats, MacBride was a guerrilla leader in the Irish Republican Army until 1937. He went on to become a lawyer, Foreign Minister, Assistant Secretary-General of the United Nations and a leader of the human rights organization Amnesty International. In 1974 he shared the Nobel Prize for Peace with former Japanese Prime Minister Eisaku Sato, and three years later the Soviet Union awarded him a Lenin Prize for his efforts on behalf of rights and disarmament.

DIED. **John J. Williams**, 83, scrupulous Republican Senator from Delaware from 1947 to 1971; of a heart attack; in Lewes, Del. Known as the Conscience of the Senate, Williams made headlines in 1957 when he got the U.S. comptroller general to allow him to return the unused portion of his annual \$1,800 stationery allowance to the Treasury. He led investigations that exposed embezzlement in the Bureau of Internal Revenue and influence peddling by Bobby Baker, a powerful aide to Senate Majority Leader Lyndon Johnson.

DIED. **Isidor Isaac Rabi**, 89, Nobel-prizewinning physicist whose instruction and integrity inspired two generations of nuclear scientists, in New York City. Born in Austria-Hungary, Rabi grew up in poverty on New York's Lower East Side before studying at Cornell and then Columbia, where he later taught for nearly 40 years. He won the Nobel Prize for Physics in 1944 for developing a method of measuring the magnetic properties at the core of an atom. Rabi helped develop the atom bomb and the atomic clock and served as a science adviser to President Dwight Eisenhower. Had his family stayed in Europe, he once quipped, "I probably would have become a tailor."

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Music



"They know how to use their computers": the Pet Shop Boys in concert, looking cool and sounding cooler

BLISS MORRIS—L&L

Tunes for the New Ice Age

Rock from England is cunning, crafted and sometimes chilling

"Well I guess it would be nice/ If I could touch your body.../ But I gotta think twice/ Before I give my heart away/ And I know all the games you play/ Because I play them too."

Right now, no one is playing the pop game as cannily as George Michael. *Faith*, with all that body language, spent three recent weeks at the top of the U.S. singles chart. The *Faith* album, which contains last summer's smash *I Want Your Sex* ("Sex is natural/ Sex is fun/ Sex is best/ When it's one on one"), is currently holding down the second slot on the top pop albums and looks to be good for some more heavy hit-single action.

Michael is the latest and, by the look of it, most enduring of the recent British presences on the American charts. Other current London rages like the bands Swing Out Sister and Curiosity Killed the Cat have also made a heavy Stateside impression by concocting careful pop that shirks issues and shrugs off anything more serious than having a good time. Major American talent like Bruce Springsteen often carries a big thematic stick, but Britpoppers wield a club—a nightclub where the solipsism of Thatcher's England is chilled out, prettied up and danced

to till dawn. If you have the world's weight on your shoulders, after all, you can't shake your booty.

That kind of shared attitude is ripe material for satire, and, indeed, the current Britpop scene has its shrewdest, severest critics right at the center of its matte black heart. The Pet Shop Boys mock the scene from the ideal perspective: deep inside. Their inventive synthesizer work makes music so stylized it becomes otherworldly. In the words of one admiring London critic, "They know how to use their computers." The Pet Shop Boys' tunes are inventive and danceable. *It Couldn't Happen Here*, on their new al-

bum *Actually*, was co-written with the formidable film composer Ennio Morricone. Their lyrics are jagged fragments of social observation and romantic speculation honed to a keen cutting edge. Two lines from *Rent* put it neatly: "I love you/ You pay my rent."

The new Britpop is lighthearted and featherweight. The producers Mike Stock, Matt Aitken and Pete Waterman run a kind of pop-star atelier in South London, where "we have pretty much a hard and fast rule that no one we work with is over 25. There are too many aging rockers hanging on to the charts." Actually, it was SA&W that had a stranglehold on the

A double shot of designer soul: Curiosity Killed the Cat, left, and Swing Out Sister, right, with, middle, the



English charts for most of 1987. The production team sold 35 million singles and 12 million albums, and they like to say "We are the charts." "They're very contemporary in what they do," says Neil Tennant of the Pet Shop Boys. "However, their lyrical content is not, even they would admit, particularly interesting." SAWtooth productions like Rick Astley's *Never Gonna Give You Up* are basically transmigrated American soul tempered down and slicked up into a formula that makes fashion as much as music. "A single really is a three-minute throwaway piece of plastic," says Stock, as if he's talking about a miniskirt. "It's nothing greater than that. But it's entertainment."

If that approach sounds as close to Vegas as King's Road, the reason may simply be the premium placed on showing the audience a good time. That is not just what matters most. In Britpop, it is practically all that matters. That and a marketable image. Consider the personal particulars of one reigning superstar: Favors tight denims and T's torn in strategic locations. Drives a black Mercedes, owns a seven-seater Cessna and a condo in Newport Beach, Calif. When not referring to himself in the third person, will say things like "My bank is all in my head" and "When I'm not being a pop star, I'm knackered from being a pop star." Posed for penumbral cover photograph on latest album in cruciform earring, bare chest and black leather jacket, head turned and nose inclined downward with right arm raised high, apparently checking for underarm odor. Has made, according to informed speculation, some \$20 million, and will spend some seven months of this year concertizing and dodging the tax man. Was called "absolutely gorgeous" by Princess Di. Is it a) Wayne Newton or b) George Michael?

The encomium from the definitive pop princess is probably a giveaway, but in fact George Michael would be equally at home at a stadium concert or on the stage at Caesars Palace. His *Faith* album, written, arranged and produced by his

own self, is a proclamation of independence, heavily indebted to contemporary black music and especially to Prince. It is furlongs better than anything he did with Wham!, the duo that sold some 50 million singles and albums and played a farewell concert to 72,000 fans at Wembley Stadium, an event of epic proportions that passed largely unremarked and unlamented outside the hermetic sphere of Britpop. Michael is an impressive and free-ranging singer who delivers a tune like Boy George on steroids. But his fondness for drama can slide into grandilo-

tion, but Terence still makes a strong showing on his own with *If You All Get to Heaven* and *If You Let Me Stay*, which have a glancing, gospel-like intensity, an aggressive edge underscored by the singer's own hang-tough stance. Tough is mostly what's missing from Britpop, whether it's the SAW stuff, or the easygoing jazz inflections of Swing Out Sister, or the songs of Curiosity Killed the Cat, which are as undifferentiated as Kleenex and quite as dispensable.

All this reliance on technique and surface flash flirts with fashion (Cat Vocalist Ben Volpeliere-Pierrot turned his cap front to back and started a fad) and plays fast and loose with the built-in impermanence of pop. It also makes most Britpop inbred and narcissistic and ripe for a revisionism that may already be happening. Upstart groups like the Godfathers, the Zodiac Mindwarp & the Love Reaction, and Gay Bikers on Acid are harking back to the brash activism and overheated playing of the late-'70s Clash era. In Hull, 150 miles north of the London scene, the Housemartins are purveying a pared-down rock with simple instrumentation and lots of political



Pretty pop boys: Michael ... and Terence Trent D'Arby

power heard to excellent effect on their most recent album, *The People Who Grinned Themselves to Death*. "In the north," reports Paul Heaton, Housemartins founder, co-songwriter and lead singer, "there aren't that many bands that can afford syndromes, synthesizers, brass. We're afraid to embrace full modern-pop production because sounding like a total pop band would be going with society a bit too much. That goes against our values."

Heaton calls himself a radical socialist, but the Pet Shop Boys, who shy away from direct political writing and look like fashion objects themselves, end up saying the most about the Britpop scene and about the years of Thatcher's England. *Shopping*, from their current album *Actually*, sounds like a recessionary hymn for a fashion show until Tennant's lyrics catch hold: "Our gain is your loss/ That's the price you pay/ I heard it in the House of Commons/ Everything's for sale." Britpop may be so smooth and cool that it has brought a new ice age to the charts. But Tennant and his partner Chris Lowe are the Houdinis of this whole show.

The magician, by myth, found himself, while performing one of his most famous escapes, trapped underwater in an icy river. He found air bubbles between the hard ice and the water's surface, and they were enough to sustain him until he broke through. The Pet Shop Boys are on to this trick. They know, like Houdini, that the cold helps set the legend. —By Jay Cocks.

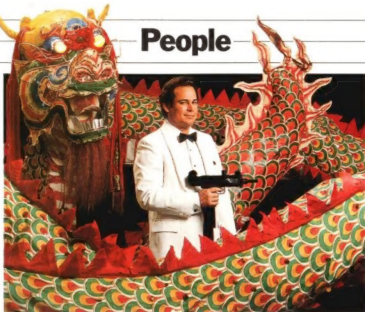
Reported by Liz Nickson/London

Housemartins, a band upholding the honorable tradition of salubrious scruff



People

When Pleasant Hills, Calif., Businessman **Ron D. Cohen** went to the People's Republic last year, the only person in the country who knew him was his girlfriend, a Beijing English teacher. Now millions of Chinese moviegoers are familiar with Cohen as Ling Ling Chi (007)—a Chinese version of James Bond. When visiting a film set in Beijing, Cohen, 36, caught the eye of the director, who needed a Westerner for the small part. "I went from nobody to being a star," marvels Cohen. The fantasy was hard work. In one scene he had to carry a machine gun in one arm and a girl in the other. The problem? Says he: "The girl was too heavy." His paycheck was easier to lift—the



New Bond issue: Businessman Cohen in his guise as Ling Ling Chi, the Chinese 007

character was fun, he says, "although the girls he dates are not as young as the ones I do in real life." Burns also plays a couple of love scenes, but

met Kinnock. Showing he doesn't mind if others borrow a leaf from his book, the Senator presented the British politician with some of his speeches, joking that Kinnock could use them "with or without attribution." Of his troubles, Biden said, "It was much ado about nothing." Come to think of it, doesn't that have a familiar ring too?

He may be a billionaire oil tycoon and philanthropist at ease with Kings and Presidents, but in his acting debut **Armand Hammer**, 89, had a mild case of stage fright. Hammer, whose goal is to raise \$1 billion for cancer research, appears in this week's episode of *The Cosby Show*. And talk about typocasting! He plays a persistent philanthropist who is rais-

ing money to fight cancer. Of his friend **Bill Cosby**, Hammer says, "I couldn't remember to call him Dr. Huxtable. I kept calling him Bill." Nonetheless, Hammer finally managed to deliver a zinger. When he goads Huxtable to write out a check for a donation to research, the doctor says, "You're pushy!" Responds Hammer: "Thank you."

As in his film scripts, family matters for Director **Woody Allen**, 52, hinge on confusing complications. Allen and Longtime Companion **Mia Farrow**,

42, are celebrating last month's arrival of **Satchel O'Sullivan Farrow**. The boy is Allen's first child. Simple enough, but watch out for plot twists. The director is also the legal father of one of Farrow's five adopted children, **Dylan**, 2. And Farrow has three other children by her former husband, Conductor **André Previn**. The situation may explain the comedic touch in the newcomer's name. The surname is Farrow because the actress's adopted children are called that. The middle name comes from Farrow's mother, Actress **Maureen O'Sullivan**. And Satchel? Well, that's a tribute to Baseball Great Satchel Paige, who once said, "Never look back. Something might be gaining on you." Not to worry, Woody. At this rate, they'll never catch up.

—By **J.D. Reed**



Schlatter and Burns in *18 Again*: no retakes on the love scenes

equivalent of \$16. Still, Cohen says he would love to do it again. O.K., but hold out for \$20 next time, Ron.

George Burns (*Oh, God*; *Going in Style*) once said he would stay in show business until there was no one else left. It's beginning to look as if he might make good on the vow. This week the comedian celebrates his, yes, 92nd birthday with the announcement of a new film set to open next month. In *18 Again*, Burns plays a frisky 81-year-old who magically exchanges bodies with his fast-living 18-year-old grandson, played by Newcomer **Charlie Schlatter**, 21. The

admits that "at my age, I'm glad we didn't have to do any retakes."

Most campaign speeches may be snoozers, but Democratic Senator **Joseph Biden**, 45, woke up the press during his brief presidential bid with some rhetoric about being the "first in my family ever to go to a university." It seems that British Labor Party Leader **Neil Kinnock**, 45, had spun a remarkably similar passage in an earlier speech. That and other charges of plagiarism drove Biden from the race in September. Last week, while touring Europe, Biden stopped off in London and



Playing the name game: Mia cuddles Satchel, Woody holds Dylan



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